LAWS AND RESOLUTIONS

OF THE

STATE OF MONTANA

ENACTED BY THE

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In Special Session

Held at Helena, the Seat of Government

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OFFICERS AND MEMBERS OF THE MONTANA SENATE 1993

50 Members

30 Democrats 20 Republicans

OFFICERS

President . . . . . Fred Van Valkenburg
President Pro Tempore . . . . . J.D. Lynch
Majority Leader . . . . . Greg Jergeson
Majority Whip . . . . . Steve Doherty
Minority Leader . . . . . Bruce Crippen
Minority Whip . . . . . John Harp
Secretary of the Senate . . . . . Claudia Clifford

MEMBERS

Name	Residence or Mailing Address	Dist No	Party
Aklestad, Gary C.	PO Box 32, Galata MT 59444	6	Republican
Bartlett, Sue	416 N Beattie, Helena MT 59601	23	Democrat
Beck, Thomas A. (Tom)	651 Greenhouse Rd, Deer Lodge MT 59722	24	Republican
Bianchi, Don	490 Secretariat Circle, Belgrade MT 59714	39	Democrat
Blaylock, Chet	502 3rd Ave, Laurel MT 59044	43	Democrat
[1]Brenden, John	Box 970, Scobey MT 59263	10	Republican
Brown, Robert (Bob)	333 Cougar Trail, Whitefish MT 59937	2	Republican
Bruski-Maus, Betty	PO Box 234, Wibaux MT 59353	12	Democrat
Burnett, James H. (Jim)	PO Box 4460, Luther MT 59051	42	Republican
Christiaens, B.F. (Chris)	709 4th Ave N, Great Falls MT 59401	18	Democrat
Crippen, Bruce D.	PO Box 80747, Billings MT 59108-0747	45	Republican
Devlin, Gerry	PO Box 186, Terry MT 59349	13	Republican
Doherty, Steve	1531 3rd Ave SW, Great Falls MT 59404	20	Democrat
Eck, Dorothy	10 W Garfield, Bozeman MT 59715	40	Democrat
Forrester, Gary	2527 Gardiner St R 8, Billings MT 59101	49	Democrat
Franklin, Eve	4021 4th Ave S, Great Falls MT 59405	17	Democrat
Fritz, Harry	1817 Daniel Dr, Missoula MT 59802	28	Democrat
Gage, Delwyn	PO Box 787, Cut Bank MT 59427	5	Republican
Grosfield, Lorents	HC 87, Box 2145, Big Timber MT 59011	41	Republican
[2]Hager, Connye	150 Norris Ct, Billings MT 59105	48	Republican
[3]Hager, Thomas O. (Tom)	150 Norris Ct, Billings MT 59105	48	Republican
Halligan, Mike	201 W Main Suite 310, Missoula MT 59802	29	Democrat
Harding, Ethel M.	PO Box 251, Polson MT 59860	25	Republican
Harp, John G.	53 Willow Dr, Kalispell MT 59901	4	Republican
Hertel, John R.	Rte 1, PO Box 30, Moore MT 59464	15	Republican
Hockett, Bob	Shambo Rte, Box 306, Havre MT 59501	7	Democrat
Jacobson, Judy H.	330 Blacktail Canyon Rd, Butte MT 59701	36	Democrat
Jergeson, Greg	RR 71, Box 8, Chinook MT 59523	8	Democrat
Keating, Thomas F.	PO Box 20522, Billings MT 59104	44	Republican
Kennedy, Jr., John (Ed)	5567 Montana Hwy 35, Kalispell MT 59901	3	Democrat
Klampe, Terry	PO Box 368, Florence MT 59833	31	Democrat
Koehnke, Francis	PO Box 692, Townsend MT 59644	16	Democrat
Lynch, John (J.D.)	527 W Mercury, Butte MT 59701	35	Democrat
McClernan, Henry	3 N Excelsior, Butte MT 59701	34	Democrat
Mesaros, Kenneth (Ken)	2191 Millegan Rd, Cascade MT 59421	21	Republican
[4]Nathe, Dennis G.	PO Box 4, Redstone MT 59257	10	Republican

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Pipinich, Bob	4430 Hwy 200 Marshall Grade, Missoula MT 59802	33	Democrat
Rea, Jack (Doc)	PO Box 1106, Helena MT 59624	38	Democrat
Rye, David	2211 Oak St, Billings MT 59102	47	Republican
Stang, Barry (Spook)	142 Montana Hwy 135 S, St. Regis MT 59866	26	Democrat
Swift, Bernie A.	236 Rose Ln, Hamilton MT 59840	32	Republican
Swysgood, Charles (Chuck)	506 S Atlantic, Dillon MT 59725	37	Republican
Toews, Daryl	SR 266 Box 34, Lustre MT 59225	9	Republican
Towe, Thomas E. (Tom)	2525 Sixth Ave N, Billings MT 59101	46	Democrat
Tveit, Larry J.	RR 1, Box 1475, Fairview MT 59221	11	Republican
Van Valkenburg, Fred R.	112 University, Missoula MT 59801	30	Democrat
Vaughn, Eleanor L.	251 Mahoney Rd, PO Box 45, Libby MT 59923	1	Democrat
Waterman, Mignon	530 Hazelgreen Place, Helena MT 59601	22	Democrat
Weeding, Cecil F.	PO Box 78, Jordan MT 59337	14	Democrat
Weldon, Jeff	24460 Doney Rd, Arlee MT 59821	27	Democrat
Wilson, William F. (Bill)	1305 2nd Ave N, Great Falls MT 59401	19	Democrat
Yellowtail, Bill	PO Box 308, Wyola MT 59089	50	Democrat

[1]Assumed Senator Nathe's position March 2, 1993.
[2]Assumed Senator Thomas Hager's position May 10, 1993.
[3]Deceased April 24, 1993.
[4]Deceased February 21, 1993.

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OFFICERS AND MEMBERS OF THE MONTANA HOUSE OF REPRESENTATIVES 1993

100 Members

53 Republicans 47 Democrats

OFFICERS

Speaker . . . . . John Mercer
Speaker Pro Tempore . . . . . Marian Hanson
Majority Leader . . . . . Larry Hal Grinde
Majority Whip . . . . . Jim Rice
Minority Leader . . . . . Ted Schye
Minority Whip . . . . . Bill Strizich
Chief Clerk of the House . . . . . Marilyn Miller

MEMBERS

Name	Residence or Mailing Address	Dist No	Party
Anderson, Shiell	Hayhook Ranch, Rte 85 Box 4251, Livingston MT 59047	81	Republican
Bachini, Bob	409 19th St, Havre MT 59501	14	Democrat
Bardanouve, Francis	PO Box 367, Harlem MT 59526	16	Democrat
Barnett, Joe	204 N Davis, Belgrade MT 59714	76	Republican
Barnhart, Beverly	614 S 6th, Bozeman MT 59715	80	Democrat
Benedict, Steve	PO Box 668, Hamilton MT 59840	64	Republican
Bergman, Ellen	1019 S Strevell, Miles City MT 59301	26	Republican
Bergsagel, Ernest	HC 84, Box 8045, Malta MT 59538	17	Republican
Bird, Joann T. (Jody)	50 T-Bird Ln, Superior MT 59872	52	Democrat
Boharski, William E.	PO Box 2965, Kalispell MT 59901	4	Republican
Bohlinger, John C.	2712 Virginia Ln, Billings MT 59102	94	Republican
Brandewie, Ray	25200 Hwy 35, Bigfork MT 59911	49	Republican
Brooke, Vivian M.	1610 Madeline Ave, Missoula MT 59801	56	Democrat
[1]Brown, Dave	3040 Ottawa, Butte MT 59701	72	Democrat
Clark, Robert C.	PO Box 216, Ryegate MT 59074	31	Republican
Cobb, John	PO Box 388, Augusta MT 59410	42	Republican
Cocchiarella, Vicki	535 Livingston Ave, Missoula MT 59801	59	Democrat
Daily, Fred (Fritz)	1057 W Steel, Butte MT 59701	69	Democrat
Davis, Ervin	604 N Main, Charlo MT 59824	53	Democrat
DeBruycker, Roger	HC 77 Box 8, Floweree MT 59440	13	Republican
Dolezal, Edward J.	3236 Fifth Ave S, Great Falls MT 59405	34	Democrat
Dowell, Tim	46 West View Dr, Kalispell MT 59901	5	Democrat
Driscoll, Jerry L.	4344 Stone St, Billings MT 59101	92	Democrat
Elliott, Jim	100 Trout Creek Rd, Trout Creek MT 59874	51	Democrat
Ellis, Jr., Alvin A.	Rte 1, Box 4840, Red Lodge MT 59068	84	Republican
Endy, William R. (Bill)	178 Kountz Rd, Whitehall MT 59759	74	Democrat
Ewer, David	1016 5th Ave, Helena MT 59601	45	Democrat
Fagg, Russell	PO Box 176, Billings MT 59103	89	Republican
Feland, Gary	215 11th Ave N, Shelby MT 59474	12	Republican
Fisher, Marjorie I.	Box 565, Whitefish MT 59937	3	Republican
Foster, Mike	PO Box 126, Townsend MT 59644	32	Republican
Galvin, Patrick G.	105 29th Ave NW, Great Falls MT 59404	40	Democrat
Gervais, Floyd (Bob)	PO Box 1810, Browning MT 59417	9	Democrat
Gilbert, Bob	PO Drawer 1228, Sidney MT 59270	22	Republican
Grady, Edward J. (Ed)	Star Route, Canyon Creek MT 59633	47	Republican
Grimes, Duane	Gruber Estates, Box 81, Clancy MT 59634	75	Republican
Grinde, Larry Hal	RR 3, Lewistown MT 59457	30	Republican

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Hansen, Stella Jean	841 Woodford St, Missoula MT 59801	57	Democrat
Hanson, H.S. (Sonny)	2237 Green Terrace Dr, Billings MT 59102	87	Republican
Hanson, Marian W.	PO Box 237, Ashland MT 59003	100	Republican
Harper, Hal	9 Comstock Rd, Helena MT 59601	44	Democrat
Harrington, Dan W.	1201 N Excelsior, Butte MT 59701	68	Democrat
Hayne, Harriet	PO Box 285, Dupuyer MT 59432	10	Republican
Herron, Jack R.	360 5th Ave E N, Kalispell MT 59901	6	Republican
Hibbard, Chase	725 Madison, Helena MT 59601	46	Republican
Johnson, John	124 Gresham, Glendive MT 59330	23	Democrat
Johnson, Royal C.	2915 Illinois, Billings MT 59102	88	Republican
Kadas, Mike	922 Taylor. Missoula MT 59802	55	Democrat
Kasten, Betty Lou	HC 77, Box A-14, Brockway MT 59214	28	Republican
Keller, Vernon V.	HC 55, Box 355, Fishtail MT 59028	83	Republican
Knox, Dick	HCR Box 14, Winifred MT 59489	29	Republican
Larson, Don	PO Box 285, Seeley Lake MT 59868	65	Democrat
Mason, Gary D.	1368 Auction Way, Corvallis MT 59828	63	Republican
McCaffree, Ed	PO Box 1354, Forsyth MT 59327	27	Democrat
McCarthy, Bea	1906 Ogden, Anaconda MT 59711	66	Democrat
McCulloch, Scott T.	611 Tabriz Dr, Billings MT 59105	96	Democrat
Menahan, William T. (Red)	1304 W Fifth, Anaconda MT 59711	67	Democrat
Mercer, John A.	PO Box 450, Polson MT 59860	50	Republican
Mills, Norm	1908 9th St W, Billings MT 59104	90	Republican
Molnar, Brad	Box 524, Laurel MT 59044	85	Republican
Nelson, Linda J.	HC 51, Box 30, Medicine Lake MT 59247	19	Democrat
Nelson, Thomas E.	1116 Moon Valley Rd, Billings MT 59105	95	Republican
Orr, Scott J.	PO Box 1318, Libby MT 59923-1318	2	Republican
Pavlovich, Robert J. (Bob)	1375 Harrison Ave, Butte MT 59701	70	Democrat
Peck, Ray	729 Fourth Ave, Havre MT 59501	15	Democrat
Peterson, Mary Lou	234 Glen Lake Dr, Eureka MT 59917	1	Republican
Quilici, Joe	3040 Kossuth, Butte MT 59701	71	Democrat
Raney, Bob	212 S Sixth St, Livingston MT 59047	82	Democrat
Ream, Robert R. (Bob)	5950 Wildcat Rd, Missoula MT 59802	54	Democrat
Rehbein, Jr., William	PO Box 156, Lambert MT 59243	21	Republican
Rice, Jim	1525 Williamsburg Rd, Helena MT 59601	43	Republican
Rice, Sheila	1501 4th Ave N, Great Falls MT 59401	36	Democrat
Rose, John (Sam)	Box 604, Choteau MT 59422	11	Republican
Russell, Angela	PO Box 333, Lodge Grass MT 59050	99	Democrat
Ryan, William M. (Bill)	8 18th Ave S, Great Falls MT 59405	38	Democrat
Sayles, Tim	4528 N Ave West, Missoula MT 59801	61	Republican
Schwinden, Dore	Box 6060, Wolf Point MT 59201	20	Democrat
Schye, Ted	N Star Route, Glasgow MT 59230	18	Democrat
[2]Shea, Debbie	100 Moon Ln	72	Democrat
Simon, Bruce T.	217 Clark Ave, Billings MT 59101	91	Republican
Simpkins, Richard D.	1221 Park Garden Rd, Great Falls MT 59404	39	Republican
Smith, Liz	311 Freezeout Ln, Deer Lodge MT 59722	48	Republican
Spring, Wilbur	2383 Penwell Bridge Rd, Belgrade MT 59714	77	Republican
Squires, Carolyn M.	2111 S Tenth St W, Missoula MT 59801	58	Democrat
Stanford, Wayne	420 Dry Gulch Rd, Stevensville MT 59870	62	Democrat
Stovall, Jay	8325 Pryor Rd, Billings MT 59101	98	Republican
Strizich, William S. (Bill)	736 27th Ave NE, Great Falls MT 59404	41	Democrat
Swanson, Emily	1716 S Willson, Bozeman MT 59715	79	Democrat
Tash, Bill	45 Vista Dr, Dillon MT 59725	73	Republican
Toole, Howard	1625 McDonald, Missoula MT 59801	60	Democrat
Tunby, Rolph	PO Box 56, Plevna MT 59344	24	Republican
Tuss, Carley	1910 Colorado Ave, Black Eagle MT 59414	35	Democrat
Vogel, Randy	5953 Lazy Ln, Billings MT 59106	86	Republican
Wagner, Douglas T.	PO Box 21, Hungry Horse MT 59919	8	Republican
Wallin, Norm	2422 Springcreek Dr, Bozeman MT 59715	78	Republican
Wanzenried, David E.	307 1st Ave E #12, Kalispell MT 59901	7	Democrat
Whalen, Timothy J.	101 Avenue C, Billings MT 59101	93	Democrat
Winslow, Karyl	4608 Box Canyon, Billings MT 59103	97	Republican
Wiseman, William R.	3310 Centennial Ct, Great Falls MT 59404	33	Republican
Wyatt, Diana E.	300 31st St S, Great Falls MT 59405	37	Democrat
Zook, Tom	c/o Broadus Stage, Miles City MT 59301	25	Republican

[1]Resigned October 20, 1993.
[2]Assumed Representative Brown's position.

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SESSION LAWS

Enacted by the

FIFTY-THIRD LEGISLATURE
IN SPECIAL SESSION

Held at Helena, the Seat of Government
November 29, 1993, through December 18, 1993

Explanatory Note: Section 5-11-205, MCA, provides that new parts of existing statutes be printed in italics and that deleted provisions be shown as stricken.

COMPILED BY MONTANA LEGISLATIVE COUNCIL

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CHAPTER NO. 1

[HB 1]

AN ACT APPROPRIATING MONEY FOR THE OPERATION OF THE FIRST SPECIAL SESSION OF THE 53RD LEGISLATURE, CONVENING NOVEMBER 29, 1993, AND FOR OTHER LEGISLATIVE PURPOSES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. **Operations appropriations.** The following amounts are appropriated from the general fund for the biennium ending June 30, 1994, for the operation of the respective agencies:

House of Representatives	$394,459
Senate	$205,659
Legislative Council	$124,215
Legislative Fiscal Analyst	$12,840

Section 2. **Effective date.** [This act] is effective on passage and approval.

Approved December 2, 1993.

CHAPTER NO. 2

[HB 6]

AN ACT DEPOSITING TO THE GENERAL FUND CERTAIN FEES ADMINISTERED BY THE HIGHWAY TRAFFIC SAFETY DIVISION OF THE DEPARTMENT OF JUSTICE; AMENDING SECTION 61-2-107, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 61-2-107, MCA, is amended to read:

"61-2-107. License reinstatement fee to fund county drinking and driving prevention programs. (1) Notwithstanding the provisions of any other law of the state, a driver's license that has been suspended or revoked under 61-5-205 or 61-8-402 must remain suspended or revoked until the driver has paid to the department a fee of $100 in addition to any other fines, forfeitures, and penalties assessed as a result of conviction for a violation of the traffic laws of the state.

(2) (a) The department shall deposit ~~one-half of~~ the fees collected under subsection (1) in the general fund. ~~to~~ *One-half of the fees must* be appropriated and used for funding county drinking and driving prevention programs as provided in 61-2-108. For each fiscal year, an amount up to $50,000 of the money from the fees remaining in the general fund after appropriation for those programs is statutorily appropriated, as provided in 17-7-502, to the department to purchase and maintain equipment used to analyze breath for the presence of alcohol.

(b) ~~The remaining fees collected under subsection (1) that are not allocated under subsection (2)(a) must be deposited in an account in the state special revenue fund to be distributed to county treasurers. The department shall~~

~~distribute to each county treasurer money in the account collected as license reinstatement fees in that county. The county treasurer shall distribute the money to each incorporated city or town in the county in the ratio that the population of the incorporated city or town bears to the total population of incorporated cities or towns in the county, based on figures provided by the most recent official census. An incorporated city or town shall distribute the money to state and local government entities, and private entities working with state and local government entities, that operate programs within the county that address the problems and concerns of minors, including but not limited to substance abuse and delinquency and chemical-free youth facilities and programs. Up to one-half of the money distributed under this subsection (b) may be used for adult chemical dependency programs and law enforcement training programs and for equipment for local government law enforcement agencies within the respective jurisdiction~~ *On or before June 30, 1994, the department shall transfer to the general fund the balance of the driver's license reinstatement fee state special revenue account."*

Section 2. **Effective date.** [This act] is effective on passage and approval.

Approved December 16, 1993.

CHAPTER NO. 3

[HB 14]

AN ACT LIMITING THE FUND BALANCE IN THE CRIME VICTIMS COMPENSATION AND ASSISTANCE ACCOUNT; DEPOSITING THE FUND BALANCE THAT IS OVER THE LIMIT AS OF MARCH 31 OF EACH YEAR IN THE GENERAL FUND; TRANSFERRING THE GREATER OF $250,000 OR THE EXCESS FUND BALANCE FROM THE CRIME VICTIMS COMPENSATION AND ASSISTANCE ACCOUNT TO THE GENERAL FUND IN FISCAL YEAR 1994; AMENDING SECTION 53-9-109, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A CONTINGENT TERMINATION PROVISION.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 53-9-109, MCA, is amended to read:

"**53-9-109. Crime victims compensation account.** *(1)* There is a crime victims compensation and assistance account in the state special revenue fund. There ~~shall~~ *must* be paid into this account 18% of the fines assessed and bails forfeited, except those paid to a justice's court, on all offenses involving a violation of chapter 3, part 1 of chapter 4, or chapters 5 through 10 of Title 61 that are a result of citations or tickets issued by the highway patrol. ~~The~~ *Except as provided in subsections (2) and (3), the* money in the account ~~is to~~ *must* be used solely for the purposes of this part and for victims' assistance program coordination and planning provided by the division. ~~No~~

(2) The fund balance in the account *as of March 31 of each year is limited to $500,000. Whenever the fund balance on March 31 exceeds $500,000, the amount of the fund balance in excess of $500,000 must* ~~at the end of a fiscal year may~~ be deposited in the general fund.

(3) On or before March 31, 1994, the division shall transfer $250,000 or the fund balance in excess of $500,000, whichever is greater, from the crime victims compensation and assistance account to the general fund."

Section 2. **Effective date.** [This act] is effective on passage and approval.

Section 3. **Contingent termination.** [This act] terminates if the governor certifies to the secretary of state that federal crime victims compensation funds will not be awarded. The termination is effective on the date of receipt of the certification by the secretary of state.

Approved December 16, 1993.

CHAPTER NO. 4

[SB 7]

AN ACT REDUCING THE NUMBER OF COUNTY ELECTION ADMINISTRATOR WORKSHOPS; AMENDING SECTION 13-1-203, MCA; AND PROVIDING AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 13-1-203, MCA, is amended to read:

"13-1-203. Chief election officer to advise, assist, and train. The secretary of state shall advise and assist election administrators with regard to application, operation, and interpretation of Title 13, except for chapters 35, 36, or 37. ~~He~~ *The secretary of state* shall hold at least one workshop ~~each year~~ *every 2 years* to provide training and assistance to election administrators. Election administrators ~~shall~~ *must* be reimbursed, from funds appropriated to the secretary of state, for their mileage and expenses for attending the workshops at the rates set for mileage and expenses in 2-18-501 through 2-18-503. At the discretion of the secretary of state and within the budget limits allowed for workshops, ~~such~~ *the* workshops may be held in several sessions at separate locations in the state."

Section 2. **Effective date.** [This act] is effective January 1, 1994.

Approved December 16, 1993.

CHAPTER NO. 5

[SB 13]

AN ACT PROVIDING THAT AN INDEMNITY BOND IS NOT REQUIRED FOR ISSUANCE OF A DUPLICATE STATE AUDITOR WARRANT IF A STATE AGENCY APPROVES ITS ISSUANCE AND AGREES TO ASSUME THE RISK OF THE ORIGINAL WARRANT BEING CASHED; AMENDING SECTION 17-8-306, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 17-8-306, MCA, is amended to read:

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"17-8-306. Issuance of duplicate warrant. (1) The state auditor may issue a duplicate warrant whenever any warrant drawn by ~~him~~ *the state auditor* upon the treasurer of the state is lost or destroyed. This duplicate warrant must be in the same form as the original, except that it must have plainly printed across its face the word "duplicate"~~, and except as herein provided, no such~~. *A duplicate* warrant may *not* be issued or delivered unless the person entitled to receive ~~the same~~ *it* deposits with the state auditor a bond in double the amount for which the duplicate warrant is issued~~, conditioned to save Montana~~ *indemnifying the state* and its officers ~~harmless on account of~~ *and employees from any loss resulting from* the issuance of the duplicate warrant.

(2) ~~No~~ *A* bond of indemnity is *not* required when:

(a) the payee is the United States government, a state of the United States, any agency, instrumentality, or officer of the United States government or of a state, county, city, city and county, town, district, or other political subdivision of a state or any officer thereof;

(b) the owner or custodian is the state of Montana or any agency or officer ~~thereof~~ *of the state*;

(c) the owner or custodian is a bank, savings and loan association, admitted insurer, or trust company whose financial condition is regulated by the United States government or by the state of Montana;

(d) the state auditor has chosen to waive the requirement upon receipt of evidence that the original warrant has been lost or destroyed as a result of a disaster or other major occurrence;

(e) the amount of the lost or destroyed warrant is less than $300;

(f) it can be established that a crime has been committed and *that* as a result ~~of such crime that~~ a Montana warrant has been stolen or destroyed;

(g) it can be established that a Montana warrant has been mailed to an incorrect payee;

(h) the payee is a vendor or contractor doing business with the state of Montana;

(i) the payee is a recipient of public assistance under Title 53;

(j) the payee is a recipient of a monthly annuity under Title 19; ~~or~~

(k) the payee is a recipient of student financial assistance administered or insured by the guaranteed student loan program pursuant to Title 20, chapter 26; *or*

(l) a state agency approves the issuance of the duplicate warrant and agrees to assume the risk of the original warrant being cashed.

(3) Whenever the owner or custodian applies under the provisions of subsection (2)(d), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), ~~or~~ (2)(k), *or (2)(l)*, a stop-payment order ~~shall~~ *must* be placed on the original warrant by the state auditor.

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(4) Whenever the owner or custodian applies under the provisions of subsection (2)(c), (2)(d), (2)(e), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), ~~or~~ (2)(k), *or (2)(l)*, the application ~~shall~~ *must* include an agreement to indemnify ~~and hold harmless~~ the state ~~or~~ *and* its officers and employees from any loss resulting from the issuance of a duplicate warrant. Any loss incurred in connection with the issuance of a duplicate warrant ~~shall~~ *must* be charged against the account from which the payment was derived."

Section 2. **Effective date.** [This act] is effective on passage and approval.

Approved December 16, 1993.

CHAPTER NO. 6

[SB 14]

AN ACT PROVIDING FOR ELECTRONIC FILING OF THE APPOINTMENT AND TERMINATION OF INSURANCE PRODUCERS; ESTABLISHING ELECTRONIC AND NONELECTRONIC FILING FEES; AMENDING SECTIONS 33-2-708, 33-17-231, 33-17-236, AND 33-17-237, MCA; AND PROVIDING AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 33-2-708, MCA, is amended to read:

"**33-2-708. Fees and licenses.** (1) Except as provided in 33-17-212(2), the commissioner shall collect in advance and the persons served shall pay to the commissioner the following fees:

(a) certificates of authority:

(i) for filing applications for original certificates of authority, articles of incorporation (except original articles of incorporation of domestic insurers as provided in subsection (1)(b)) and other charter documents, bylaws, financial statement, examination report, power of attorney to the commissioner, and all other documents and filings required in connection with the application and for issuance of an original certificate of authority, if issued:

(A) domestic insurers . . . . . $ 600.00

(B) foreign insurers 600.00

(ii) annual continuation of certificate of authority 600.00

(iii) reinstatement of certificate of authority 25.00

(iv) amendment of certificate of authority 50.00

(b) articles of incorporation:

(i) filing original articles of incorporation of a domestic insurer, exclusive of fees required to be paid by the corporation to the secretary of state 20.00

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(ii) filing amendment of articles of incorporation, domestic and foreign insurers, exclusive of fees required to be paid to the secretary of state by a domestic corporation 25.00

(c) filing bylaws or amendment to bylaws ~~where~~ *when* required 10.00

(d) filing annual statement of insurer, other than as part of application for original certificate of authority 25.00

(e) insurance producer's license:

(i) application for original license, including issuance of license, if issued 15.00

(ii) appointment of insurance producer, each insurer, *electronically filed* 10.00

(iii) appointment of insurance producer, each insurer, nonelectronically filed *15.00*

~~(iii)~~*(iv)* temporary license 15.00

~~(iv)~~*(v)* amendment of license (excluding additions to license) or reissuance of master license 15.00

(vi) termination of insurance producer, each insurer, electronically filed *10.00*

(vii) termination of insurance producer, each insurer, nonelectronically filed *15.00*

(f) nonresident insurance producer's license:

(i) application for original license, including issuance of license, if issued 100.00

(ii) appointment of insurance producer, each insurer, *electronically filed* *10.00*

(iii) appointment of insurance producer, each insurer, nonelectronically filed *15.00*

~~(iii)~~*(iv)* annual renewal of license 10.00

~~(iv)~~*(v)* amendment of license (excluding additions to license) or reissuance of master license 15.00

(vi) termination of insurance producer, each insurer, electronically filed *10.00*

(vii) termination of insurance producer, each insurer, nonelectronically filed *15.00*

(g) examination, if administered by the commissioner, for license as insurance producer, each examination 15.00

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(h) surplus lines insurance producer license:

(i) application for original license and for issuance of license, if issued 50.00

(ii) annual renewal of license 50.00

(i) adjuster's license:

(i) application for original license and for issuance of license, if issued 15.00

(ii) annual renewal of license 15.00

(j) insurance vending machine license, each machine, each year 10.00

(k) commissioner's certificate under seal (except when on certificates of authority or licenses) 10.00

(l) copies of documents on file in the commissioner's office, per page 50

(m) policy forms:

(i) filing each policy form 25.00

(ii) filing each application, certificate, enrollment form, rider, endorsement, amendment, insert page, schedule of rates, and clarification of risks 10.00

(iii) maximum charge if policy and all forms submitted at one time or resubmitted for approval within 180 days 100.00

(n) applications for approval of prelicensing education courses:

(i) reviewing initial application 150.00

(ii) periodic review 50.00

(2) The commissioner shall establish by rule fees commensurate with costs for filing documents and conducting the course reviews required by 33-17-1204 and 33-17-1205.

(3) The commissioner shall establish by rule an annual accreditation fee to be paid by each domestic and foreign insurer when it submits a fee for annual continuation of its certificate of authority.

(4) (a) Except as provided in subsection (4)(b), the commissioner shall promptly deposit with the state treasurer to the credit of the general fund of this state all fines and penalties, those amounts received pursuant to 33-2-311, 33-2-705, and 33-2-706, and any fees and examination and miscellaneous charges that are collected by the commissioner pursuant to Title 33 and the rules adopted under Title 33, except that all fees for filing documents and conducting the course reviews required by 33-17-1204 and 33-17-1205 must be deposited in the state special revenue fund pursuant to 33-17-1207.

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(b) The accreditation fee required by subsection (3) must be turned over promptly to the state treasurer who shall deposit the money in the state special revenue fund to the credit of the commissioner's office. The accreditation fee funds must be used only to pay the expenses of the commissioner's office in discharging the administrative and regulatory duties that are required to meet the minimum financial regulatory standards established by the national association of insurance commissioners, subject to the applicable laws relating to the appropriation of state funds and to the deposit and expenditure of money. The commissioner is responsible for the proper expenditure of the accreditation money.

(5) All fees are considered fully earned when received. In the event of overpayment, only those amounts in excess of $10 will be refunded."

Section 2. Section 33-17-231, MCA, is amended to read:

"**33-17-231. Appointment of insurance producers — continuation and termination.** (1) Each insurer appointing an insurance producer in this state shall file with the commissioner the appointment, specifying the kinds of insurance to be transacted by the insurance producer for the insurer, and pay the fee as stated in 33-2-708. *The appointment may be electronically filed pursuant to rules adopted by the commissioner.*

(2) Each appointment remains in effect until the insurance producer's license is revoked or otherwise terminated unless written notice of earlier termination of the appointment is filed with the commissioner by the insurer or the insurance producer. *The written notice may be electronically filed pursuant to rules adopted by the commissioner.* Termination of the insurer's authority in Montana also terminates the appointment.

(3) Subject to the insurance producer's contract rights, an insurer may terminate an insurance producer's appointment at any time. The insurer shall promptly give written notice of the termination to the commissioner and to the insurance producer. The commissioner may require reasonable proof that the insurer has given notice to the insurance producer.

(4) As part of the notice of termination given the commissioner, the insurer shall file with the commissioner a statement of the facts relative to the termination and the cause of termination. Any information or statement contained in the notice of termination is not admissible as evidence in any action or proceeding against the insurer or any representative of the insurer by or on behalf of any person affected by the termination."

Section 3. Section 33-17-236, MCA, is amended to read:

"**33-17-236. Appointments of insurance producers by insurers.** (1) An insurance producer may not claim to be a representative of or an authorized or appointed insurance producer of or use another term implying a contractual relationship with a particular insurer and may not accept applications for the insurer unless the insurance producer becomes an appointed insurance producer of that insurer pursuant to this section. The following are the appointing insurer's requirements for making appointment of a licensed insurance producer:

(a) The insurer shall, no later than 15 days from the date the agency contract is executed or the first insurance application is submitted by a licensed insurance producer, whichever is earlier, file with the insurance department a written notice of appointment on a form prescribed by the insurance department. *The notice may be electronically filed pursuant to rules adopted by the commissioner.*

(b) If there is no executed agency contract, the insurer shall mail to the licensed insurance producer, no later than 15 days from the date the first insurance application is submitted by him, a copy of the notice of appointment form filed with the insurance department. If the licensed insurance producer does not receive the acknowledgment of appointment from the insurer within 30 days from the date the first insurance application is submitted to the insurer, the insurance producer shall immediately discontinue acting as an insurance producer on behalf of that insurer until the acknowledgment is received or the agency contract is executed.

(2) Upon receipt of the notice of appointment, the insurance department shall verify within 5 working days that the licensed insurance producer is eligible for appointment. If the licensed insurance producer is determined to be ineligible for appointment, the insurance department shall notify the insurer within 5 days of the determination.

(3) An appointment is effective on the date of the executed contract and is perpetual until canceled by the insurer."

Section 4. Section 33-17-237, MCA, is amended to read:

"33-17-237. Notification of violation or appointment termination. (1) Upon the termination of an appointed insurance producer by an insurer, the insurer shall notify the insurance department within 30 days in the manner prescribed by the insurance department, *which may include electronic filing.*

(2) If the reason for the termination is any of the causes listed in 33-17-1001 or 33-25-301, the insurer shall immediately notify the insurance department of the reason.

(3) Whenever an insurance company or an employee or representative of the company has reasonable cause to believe that a person has violated 33-17-1001 or 33-25-301, it is the duty of that entity, upon acquiring the knowledge, to notify the insurance department and provide the insurance department with a complete statement of all relevant facts and circumstances.

(4) The insurer, employee, or representative shall, upon request of the insurance department, provide information, documents and records, or other data pertaining to the alleged violation or termination that may be used by the insurance department in any action taken pursuant to Title 33, chapter 17, part 10.

(5) Any information, documents, records, or other data provided pursuant to this section is privileged, and there is no liability on the part of nor may a cause of action of any nature arise against the insurance department, the insurance company, or an authorized representative of either so long as the privileged information is furnished in good faith."

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Section 5. **Effective date.** [This act] is effective July 1, 1994.

Approved December 16, 1993.

CHAPTER NO. 7

[HB 74]

AN ACT PROVIDING CONSENT TO THE NORTHERN CHEYENNE INDIAN RESERVED WATER RIGHTS SETTLEMENT ACT OF 1992 AND CERTAIN SPECIFIED AMENDMENTS TO THAT ACT; CONFORMING THE NORTHERN CHEYENNE-MONTANA WATER RIGHTS COMPACT TO THAT ACT; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, in accordance with section 85-2-702, MCA, the 52nd Montana Legislature ratified the Northern Cheyenne-Montana Compact as Chapter 812, Laws of 1991; and

WHEREAS, by its terms, the Compact required the participation of the United States in the project to repair and rehabilitate the Tongue River Dam in southeastern Montana, which required certain authorizations and appropriations by the Congress of the United States; and

WHEREAS, in the Northern Cheyenne Indian Reserved Water Rights Settlement Act of 1992, referred to in this preamble as the federal act (Public Law 102-374, 106 Stat. 1186), Congress approved the Compact and obligated, under certain terms and conditions, the federal government and the state to provide funding for the project; and

WHEREAS, because of a clerical error in the federal act Montana may lose some of the federal funding for the project, and accordingly, Congress, in S. 1654 (103d Cong. 1st Sess.), is considering an amendment to correct that error; and

WHEREAS, some of the terms of the federal act and the pending amendment vary from the Compact, thereby creating uncertainty in efforts to obtain federal funding for the project and secure judicial approval of the Compact; and

WHEREAS, the Northern Cheyenne Tribe, the Montana Reserved Water Rights Compact Commission, and the Montana Department of Natural Resources and Conservation have given their consent to, adopted, and ratified the terms of the federal act and the pending amendment; and

WHEREAS, the judicial confirmation of the Compact and timely completion of the project is of high priority to the State of Montana, the Northern Cheyenne Tribe, and the United States.

THEREFORE, the 53rd Legislature of the State of Montana, meeting in special session, finds it appropriate to give its consent to, adopt, and ratify the terms and conditions of the federal act and the pending amendment and to modify the Compact to the extent necessary to conform therewith.

Be it enacted by the Legislature of the State of Montana:

Section 1. **Consent to federal act and modification of compact.** (1) Pursuant to Article V, section A.1., of the Northern Cheyenne-Montana Compact, section 85-20-301, MCA, the Legislature hereby gives its consent to,

ratifies, and adopts the Northern Cheyenne Indian Reserved Water Rights Settlement Act of 1992 (Public Law 102-374, 106 Stat. 1186). This consent includes:

(a) any amendment to the act that clarifies that environmental compliance costs for the Tongue River Dam Project are the responsibility of the federal government; or

(b) any amendment to section 4(c) of the act that provides that, except for the authorizations contained in subsections 7(b)(1)(A), 7(b)(1)(B), and 7(e), the authorization of appropriations in the act are not effective until such time as the Montana water court enters and approves a decree as provided in subsection 4(d) of the act.

(2) The provisions of the compact that are inconsistent with the federal act or with the amendments specified in subsections (1)(a) and (1)(b) of this section shall be deemed to be modified to the extent necessary to conform therewith.

Section 2. **Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 85, chapter 20, part 3, and the provisions of Title 85, chapter 20, part 3, apply to [section 1].

Section 3. **Effective date.** [This act] is effective on passage and approval.

Approved December 17, 1993.

CHAPTER NO. 8

[SB 4]

AN ACT REVISING THE ALLOCATION OF COAL SEVERANCE TAXES WITHIN THE TRUST ESTABLISHED UNDER ARTICLE IX, SECTION 5, OF THE MONTANA CONSTITUTION; REDUCING DEPOSITS TO THE TREASURE STATE ENDOWMENT FUND; TRANSFERRING MONEY FROM THE COAL SEVERANCE TAX BOND FUND TO THE COAL SEVERANCE TAX PERMANENT FUND; AMENDING SECTION 17-5-703, MCA; REPEALING SECTION 11, CHAPTER 722, LAWS OF 1991; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 17-5-703, MCA, is amended to read:

"**17-5-703. Coal severance tax trust funds.** (1) The trust established under Article IX, section 5, of the Montana constitution ~~shall be~~ *is* composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax ~~shall~~ *must* be deposited;

(b) a treasure state endowment fund;

(c) a clean coal technology demonstration fund;

(d) a coal severance tax permanent fund;

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(e) a coal severance tax income fund; and

(f) a coal severance tax school bond contingency loan fund.

(2) *(a)* The state treasurer shall determine, *on July 1 of each year,* the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund ~~on the next two ensuing semiannual payment dates~~ *during the next 12 months* and retain that amount in the coal severance tax bond fund.

(b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (3) through (6).

(3) (a) On January 21, 1992, and continuing as long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12 months.

(4) Beginning July 1, 1991, and ending June 30, 1997, from any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3), the department of revenue shall, upon request from the department of natural resources and conservation, transfer an amount up to $5 million per fiscal year to the clean coal technology demonstration fund.

(5) *(a)* Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall *quarterly* transfer to the treasure state endowment fund ~~any~~ *50% of the* amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsections (3) and (4).

~~(6) (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.~~

(b) The state treasurer shall ~~annually~~ *monthly* transfer *from the treasure state endowment fund* to the treasure state endowment special revenue account the amount of ~~interest~~ earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. ~~Interest earnings~~ *Earnings* not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund.

(6) Any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2)(a) to be retained in the fund and that is not

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otherwise allocated under this section must be deposited in the coal severance tax permanent fund."

Section 2. **Fund transfer.** The state treasurer shall on [the effective date of this act] transfer from the coal severance tax bond fund to the coal severance tax permanent fund the cash balance of the bond fund as of July 1, 1993, that is in excess of the amount required by 17-5-703(2)(a), including the amount either held in the fund for the clean coal technology demonstration fund or required to be transferred to the clean coal technology demonstration fund. The provisions of this section do not affect the authorizations contained in section 10, Chapter 722, Laws of 1991.

Section 3. **Repealer.** Section 11, Chapter 722, Laws of 1991, is repealed.

Section 4. **Effective date.** [This act] is effective on passage and approval.

Approved December 17, 1993.

CHAPTER NO. 9

[SB 18]

AN ACT PROVIDING REDUCED NET PROCEEDS TAX RATES AND REDUCED SEVERANCE TAX RATES ON THE INCREMENTAL PRODUCTION OF OIL FROM ENHANCED RECOVERY PROJECTS THAT BEGIN AFTER DECEMBER 31, 1993, AND BEFORE JANUARY 1, 2002; PROVIDING THAT INCREMENTAL PRODUCTION FROM ENHANCED RECOVERY PROJECTS IS TAXED AT EXISTING HIGHER RATES IN CALENDAR QUARTERS IN WHICH THE PRICE PER BARREL OF OIL IS EQUAL TO OR GREATER THAN $30; EXEMPTING FROM NET PROCEEDS TAXATION FOR A PERIOD OF 18 MONTHS THE PRODUCTION OF OIL FROM HORIZONTALLY COMPLETED WELLS; REQUIRING THAT THE BOARD OF OIL AND GAS CONSERVATION APPROVE ENHANCED RECOVERY PROJECTS IN ORDER FOR THE PROJECTS TO QUALIFY FOR THE REDUCED TAX RATES; REQUIRING THAT THE BOARD ESTABLISH A FEE SCHEDULE TO DEFRAY THE EXPENSES FOR REVIEWING PROPOSED ENHANCED RECOVERY PROJECTS; AMENDING SECTIONS 7-1-2111, 7-7-2101, 7-7-2203, 7-14-2524, 7-14-2525, 7-16-2327, 15-6-208, 15-23-601, 15-23-602, 15-23-603, 15-23-607, 15-23-612, 15-23-613, 15-36-101, 20-9-141, 20-9-331, 20-9-333, AND 20-10-144, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

STATEMENT OF INTENT

A statement of intent is required for this bill because the board of oil and gas conservation is authorized to approve and certify production decline rates for the purpose of determining incremental production from enhanced recovery projects as provided in this bill.

The department of revenue has adopted rules for determining incremental production from tertiary production based on production decline rates. It is the intent of this legislation that the determination of incremental production is more appropriately a function of the board of oil and gas conservation because

the board already has comprehensive statutory authority over oil and gas exploration and development activities in Montana.

The legislature intends that the board of oil and gas conservation shall, in consultation with the department of revenue, adopt rules setting forth the methodology by which the board may approve new or expanded secondary and tertiary recovery projects. The rules must include the method for establishing the rate of decline in production in the existing level of development in a project area. For a secondary or tertiary recovery project for which initial approval is sought, the rules must include the method for establishing the rate of decline in production from existing primary or secondary recovery operations in a proposed project area. In addition, the rules must include the method for determining the level of production from existing wells in a project area in order to establish the level of incremental production that qualifies for the tax incentive rates provided in this bill.

The board of oil and gas conservation is required to establish by rule a fee schedule to defray the expenses associated with reviewing applications for enhanced recovery projects. The fee schedule adopted by the board must take into account the complexity of processing the application.

A statement of intent is also required for this bill because the department of revenue is granted rulemaking authority for determining the allocation of incremental production from enhanced recovery projects to production that is subject to net proceeds taxation and to production that is subject to the local government severance tax. The allocation must be based on the ratio of production from wells drilled before July 1, 1985, in a project area that qualifies for a reduced tax rate on incremental production to production from wells drilled after June 30, 1985, in the project area that qualifies for a reduced tax rate on incremental production.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 15-6-208, MCA, is amended to read:

"15-6-208. Mineral exemptions. (1) One-half of the contract sales price of coal sold by a coal producer who extracts less than 50,000 tons of coal in a calendar year is exempt from taxation.

(2) Metal mines producing less than 20,000 tons of ore in a taxable year are exempt from property taxation on one-half of the merchantable value.

(3) *(a)* New production, as defined in 15-23-601, is exempt from taxation for the first 12 months of production as provided in 15-23-612.

(b) Production from horizontally completed wells, as defined in 15-23-601, is exempt from taxation for the first 18 months of production as provided in 15-23-612.

(4) The first 1,000 tons of travertine and building stone extracted from a mine in a tax year are exempt from property taxation."

Section 2. Section 15-23-601, MCA, is amended to read:

"15-23-601. Definitions. As used in this part, the following definitions apply:

(1) "Board" means the board of oil and gas conservation.

(2) "Enhanced recovery project" means the use of any process, other than primary recovery, for the displacement of oil from the earth and includes the use of an immiscible, miscible, chemical, thermal, or biological process.

~~(1)~~*(3)* "Excise tax" means the windfall profit tax on domestic crude oil imposed by Title I of the federal Crude Oil Windfall Profit Tax Act of 1980, as enacted or as amended.

(4) "Existing enhanced recovery project" means an enhanced recovery project that began development before January 1, 1994.

(5) "Expanded enhanced recovery project" or "expansion" means the addition of injection wells or production wells, the recompletion of existing wells as horizontally completed wells, the change of an injection pattern, or other operating changes to an existing enhanced recovery project that results in the recovery of oil that would not otherwise be recovered. The project must be developed after December 31, 1993, and before January 1, 2002.

(6) "Horizontal drain hole" means that portion of a well bore with 70 degrees to 110 degrees deviation from the vertical and a horizontal projection within the common source of supply, as that term is defined by the board, that exceeds 100 feet.

(7) "Horizontally completed well" means:

(a) a well with one or more horizontal drain holes; and

(b) any other well classified by the board as a horizontally completed well.

(8) "Incremental production" means the volume of petroleum or mineral or crude oil produced by a new enhanced recovery project, by a well in primary recovery recompleted as a horizontally completed well, or by an expanded enhanced recovery project in excess of the production decline rate established before:

(a) the expansion of an existing enhanced recovery project;

(b) the commencement of a new enhanced recovery project. In the case of a project that had no taxable production prior to the commencement of an enhanced recovery project, incremental production means all production of petroleum or mineral or crude oil from the enhanced recovery project.

(c) the commencement of the recompletion of a well as a horizontally completed well.

(9) "New enhanced recovery project" means an enhanced recovery project that began development after December 31, 1993, and before January 1, 2002.

~~(2)~~*(10)* ~~The term "new production"~~ *"New production"* means the production of natural gas, petroleum, or other crude or mineral oil from any well *that was* drilled after June 30, 1985, or that has not produced natural gas, petroleum, or other crude or mineral oil during the 5 years immediately preceding the first month of qualified new production.

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~~(3)~~*(11)* ~~The terms "operator"~~ *"Operator"* and "producer" mean any person who engages in the business of drilling for, extracting, or producing any natural gas, petroleum, or other crude or mineral oil.

(12) "Primary recovery" means the displacement of oil from the earth into the well bore by means of the natural pressure of the oil reservoir and includes artificial lift.

(13) "Production decline rate" means the projected rate of future oil production, extrapolated by a method approved by the board, that must be determined for a project area before the commencement of a new enhanced recovery project, of a recompletion of a well as a horizontally completed well, or of an expanded enhanced recovery project. The approved production decline rate must be certified in writing to the department of revenue by the board. In that certification, the board shall identify the project area and shall specify the projected rate of future oil production by calendar year and by calendar quarter within each year. The certified rate of future oil production must be used by the department to determine the volume of incremental production that qualifies for the tax rate imposed under 15-23-607(2)(c).

(14) "Production from horizontally completed wells" means petroleum or other crude or mineral oil produced from a horizontally completed well that is drilled or recompleted after December 31, 1993, and before January 1, 2002.

(15) "Secondary recovery project" means an enhanced recovery project that is not a tertiary recovery project. A secondary recovery project must be approved by the board as provided in 15-36-101(1)(c).

(16) "Tertiary recovery project" means an enhanced recovery project that meets each of the following requirements:

(a) The project must be certified as a tertiary recovery project to the department by the board. The certification may be extended only after notice and hearing in accordance with Title 2, chapter 4.

(b) The property to be affected by the project must be adequately delineated in the certification according to the specifications required by the board.

(c) The project must involve the application of one or more tertiary recovery methods that can reasonably be expected to result in an increase, determined by the board to be significant in light of all the facts and circumstances, in the amount of crude oil that may potentially be recovered. For purposes of this part, tertiary recovery methods include but are not limited to:

(i) miscible fluid displacement;

(ii) steam drive injection;

(iii) micellar/emulsion flooding;

(iv) in situ combustion;

(v) polymer augmented water flooding;

(vi) cyclic steam injection;

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(vii) alkaline or caustic flooding;

(viii) carbon dioxide water flooding;

(ix) immiscible carbon dioxide displacement; or

(x) any other method approved by the board as a tertiary recovery method.

~~(4)~~*(17)* ~~The term "well" includes~~ *"Well" means* each single well or group of wells, including dry wells, in one field or production unit and under the control of one operator or producer."

Section 3. Section 15-23-602, MCA, is amended to read:

"15-23-602. Statement of sales proceeds on new *production, production from horizontally completed wells, or incremental* production. (1) As provided in subsection (2), each operator or producer of new production, *production from horizontally completed wells, or incremental production* of ~~natural gas,~~ petroleum~~,~~ or other crude or mineral oil *and each operator or producer of new production of natural gas* shall ~~make out~~ *complete* and deliver to the department of revenue a statement of the gross sales proceeds of new production of natural gas, petroleum, or other crude or mineral oil, *production from horizontally completed wells, and the incremental production of petroleum or other crude or mineral oil* from each well owned or worked by the person. The gross sales proceeds must be determined by multiplying the units of production sold from the well times the royalty unit value of that production at the well. The statement must be in the form prescribed by the department and must be verified by the oath of the operator or producer or the manager, superintendent, agent, president, or vice-president of the corporation, association, or partnership. The statement must show the following:

(a) the name and address of the operator, together with a list in duplicate of the names and addresses of any persons owning or claiming any royalty interest in the production from the well or the proceeds derived from the sale of the production, and the amount paid or yielded as royalty to each of those persons during the period covered by the statement;

(b) the description and location of the well;

(c) the number of cubic feet of natural gas, barrels of petroleum or other crude or mineral oil sold from the well during the period covered by the statement; and

(d) the gross sales proceeds in dollars and cents or, in the case of sales between parties not acting at arm's length, the greater of the gross sales proceeds from or the fair market value of the products sold.

(2) Each operator having new production, *production from horizontally completed wells, or incremental production* as *those terms are* defined in 15-23-601 shall, on or before the last day of the months of October, January, April, and July, ~~make out~~ *complete* and deliver to the department of revenue a statement of the gross sales proceeds of the new production, *production from horizontally completed wells, or incremental production* from each well owned or worked by the person during the preceding calendar quarter. The statement must be in the form prescribed by the department and verified as provided in

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subsection (1). The statement must show the information required in subsections (1)(a) through (1)(d)."

Section 4. Section 15-23-603, MCA, is amended to read:

"**15-23-603. Net proceeds — how computed.** (1) As provided in subsection (2), the department of revenue shall calculate and compute from the returns the gross sales proceeds of the product yielded from the well for the year covered by the statement and shall calculate the net proceeds of the well yielded to the producer, which net proceeds are determined by subtracting from the gross sales proceeds of the well all royalty paid in cash by the operator or producer and the gross value of all royalty apportioned in kind by the operator or producer determined by using as the value of a barrel of oil or a cubic foot of gas the average selling price for the calendar year of a barrel of oil or a cubic foot of gas from the well out of which the royalty was paid.

(2) For new production, *for production from horizontally completed wells, or for incremental production*, net proceeds are the equivalent of the gross sales proceeds, without deduction for excise taxes, of the product yielded from the well for the quarter covered by the statement, except that in computing the total number of barrels of petroleum and other mineral or crude oil or cubic feet of natural gas produced, there must be deducted so much of the product as is used in the operation of the well from which the petroleum or other mineral or crude oil or natural gas is produced for pumping the petroleum or other mineral or crude oil or natural gas from the well to a tank or pipeline.

(3) In the statement of sales proceeds required under 15-23-602 for lease or unitized areas from which new production, *production from horizontally completed wells, or incremental production* and other production have been sold, the number of barrels of new production, *production from horizontally completed wells, or incremental production* of oil or cubic feet of new production of gas must be segregated from and stated separately from the number of barrels of other production of oil or cubic feet of other production of gas."

Section 5. Section 15-23-607, MCA, is amended to read:

"**15-23-607. County assessors to compute taxes.** (1) Immediately after the board of county commissioners has fixed tax levies on the second Monday in August, the county assessor shall, subject to the provisions of 15-23-612, compute the taxes on net proceeds, as provided in ~~subsection~~ *subsections (2) and (3)* of this section, and royalty assessments and shall deliver the book to the county treasurer on or before September 15. The county treasurer shall proceed to give full notice of the assessments to the operator and shall collect the taxes as provided by law.

(2) For new production, *production from horizontally completed wells, and incremental production, as those terms are* defined in 15-23-601, the county assessor may not levy or assess any mills against the value of the new production, *production from horizontally completed wells, or incremental production*, but shall instead levy a tax as follows:

(a) for new production of petroleum or other mineral or crude oil, 7% of net proceeds, as described in 15-23-603(2); ~~or~~

(b) for new production of natural gas, 12% of net proceeds, as described in 15-23-603(2); *or*

(c) (i) except as provided in subsection (4), for incremental production that is classified as secondary recovery from new enhanced recovery projects, as defined in 15-23-601, and for incremental production that is classified as secondary recovery from expanded enhanced recovery projects, as defined in 15-23-601, 5% of net proceeds, as described in 15-23-603(2); or

(ii) for incremental production that is classified as tertiary recovery from new enhanced recovery projects, as defined in 15-23-601, and for incremental production that is classified as tertiary recovery from expanded enhanced recovery projects, as defined in 15-23-601, 3.3% of net proceeds, as described in 15-23-603(2).

(3) For purposes of this section:

(a) incremental production from a new enhanced recovery project qualifies for the tax rate imposed in subsection (2)(c)(i) or (2)(c)(ii) if, before the project begins development, the board approves the project and designates the area to be affected by the project.

(b) the incremental production from an expanded enhanced recovery project qualifies for the tax rate imposed in subsection (2)(c)(i) or (2)(c)(ii) if, before the expansion begins, the board approves the expansion and designates the area to be affected by the expansion.

(4) (a) Incremental production from a new enhanced recovery project is subject to the tax rate imposed in subsection (2)(c)(i) or (2)(c)(ii) if the average price per barrel of oil as reported in the Wall Street Journal for west Texas intermediate crude oil during a calendar quarter is less than $30 a barrel. If the price of oil is equal to or greater than $30 per barrel in a calendar quarter as determined in subsection (5), incremental production from a new enhanced recovery project is taxed as provided in subsection (2)(a) for production occurring in that quarter.

(b) Incremental production from an expanded enhanced recovery project is subject to the tax rate imposed in subsection (2)(c)(i) or (2)(c)(ii) if the average price per barrel of oil as reported in the Wall Street Journal for west Texas intermediate crude oil during a calendar quarter is less than $30 a barrel. If the price of oil is equal to or greater than $30 per barrel in a calendar quarter as determined in subsection (5), incremental production from an expanded enhanced recovery project is taxed as provided in subsection (2)(a) for production occurring in that quarter.

(5) For the purposes of subsections (4)(a) and (4)(b), the average price per barrel must be computed by dividing the sum of the daily price for west Texas intermediate crude oil as reported in the Wall Street Journal for the calendar quarter by the number of days on which the price was reported in the quarter.

~~(3)~~*(6)* The amount of tax levied in subsections (2)(a), ~~and~~ (2)(b), *and (2)(c)*, divided by the appropriate tax rate and multiplied by 60%, must be treated as taxable value for county bonding purposes.

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~~(4)~~*(7)* The operator or producer is liable for the payment of the taxes that, except as provided in 15-16-121, are payable by and must be collected from the operators in the same manner and under the same penalties as provided for the collection of taxes upon net proceeds of mines. However, the operator may at ~~his~~ *the operator's* option withhold from the proceeds of royalty interest, either in kind or in money, an estimated amount of the tax to be paid by ~~him~~ *the operator* upon the royalty or royalty interest. After the withholding, any deviation between the estimated tax and the actual tax may be accounted for by adjusting subsequent withholdings from the proceeds of royalty interests."

Section 6. Section 15-23-612, MCA, is amended to read:

"15-23-612. Certain natural gas, petroleum, or other crude or mineral oil exempt. (1) New production, as defined in 15-23-601, is exempt from the net proceeds tax imposed by this part for the first 12 months following the last day of the calendar month immediately preceding the month in which:

(a) natural gas is placed into a natural gas distribution system; or

(b) production for sale from a crude oil or mineral oil well is pumped or flows.

(2) After the expiration of the 12-month exemption period provided *for* in subsection (1), new production of natural gas, petroleum, or other crude or mineral oil is subject to net proceeds tax imposed by this part.

(3) Production from horizontally completed wells, as defined in 15-23-601, and incremental production from wells recompleted as horizontally completed wells are exempt from the net proceeds tax imposed by this part for the first 18 months following the last day of the calendar month immediately preceding the month in which production for sale from a crude oil or mineral oil well is pumped or flows.

(4) After the expiration of the 18-month exemption period provided for in subsection (3), production from horizontally completed wells, as defined in 15-23-601, is subject to net proceeds taxes imposed by this part.

~~(3)~~*(5)* Notwithstanding the provisions of subsections (1) ~~and (2)~~ *through (4)*, all reporting requirements under the net proceeds tax remain in effect."

Section 7. Section 15-23-613, MCA, is amended to read:

"15-23-613. Disposition of *taxes on* new *production, production from horizontally completed wells, and incremental* production ~~taxes~~. The county treasurer shall credit all taxes on new production, *production from horizontally completed wells, and incremental production,* as provided for in 15-23-607, in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as property taxes were distributed in the year preceding the budget year."

Section 8. **Rules.** The department of revenue shall adopt rules to ensure that incremental production of oil from enhanced recovery projects is allocated to production that is subject to net proceeds taxation and to production that is subject to the local government severance tax.

Section 9. Section 15-36-101, MCA, is amended to read:

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"15-36-101. Definitions and rate of tax — state severance tax — local government severance tax — assessment of nonworking interest owner — exemption. (1) Every person engaging in or carrying on the business of producing petroleum, other mineral or crude oil, or natural gas within this state or engaging in or carrying on the business of owning, controlling, managing, leasing, or operating within this state any well or wells from which any merchantable or marketable petroleum, other mineral or crude oil, or natural gas is extracted or produced shall, except as provided in 15-36-121, each year when engaged in or carrying on the business in this state pay to the department of revenue a state severance tax for deposit in the general fund of the state of Montana plus a local government severance tax in lieu of a tax on net proceeds for replacement of property taxes formerly levied on net proceeds. Except as provided in subsection (3), the state severance tax and the local government severance tax are as follows:

(a) except as provided in subsections (1)(b)~~, (1)(c), and (1)(d),~~ *through (1)(f)*, a 5% state severance tax on the gross taxable value of all the petroleum and other mineral or crude oil produced by the person, plus the local government severance tax of 8.4% on the gross taxable value, as defined in subsection ~~(6)(a)(ii)~~ *(8)(a)(ii)*, of all the petroleum and other mineral or crude oil produced by the person, other than new production, from each lease or unit; but in determining the amount of the state severance tax and local government severance tax, there must be excluded from consideration all petroleum or other crude or mineral oil produced and used by the person during the year in connection with the person's operations in prospecting for, developing, and producing the petroleum or crude or mineral oil;

(b) a 2.65% state severance tax on the gross taxable value of all natural gas produced by the person, plus the local government severance tax of 15.25% on the gross taxable value, as defined in subsection ~~(6)(a)(ii)~~ *(8)(a)(ii)*, of all natural gas produced by the person, other than new production, from each lease or unit; but in determining the amount of the state severance tax and the local government severance tax, there must be excluded from consideration all gas produced and used by the person during the year in connection with the person's operations in prospecting for, developing, and producing the gas or petroleum or crude or mineral oil; and there must also be excluded from consideration all gas, including carbon dioxide gas, recycled or reinjected into the ground;

(c) except as provided in subsection (4)(a), a 3% state severance tax on the gross taxable value of the incremental production of petroleum and other mineral or crude oil produced from a secondary recovery project commenced or expanded after December 31, 1993, and before January 1, 2002, plus the local government severance tax of 5% on the gross taxable value, as defined in subsection (8)(a)(ii), of the incremental petroleum and other mineral or crude oil produced by the person, other than new production, from each lease or unit in a secondary recovery project commenced or expanded after December 31, 1993, and before January 1, 2002. For purposes of this section, a secondary recovery project must meet each of the following requirements:

(i) The project must be certified as a secondary recovery project to the department by the board. The certification may be extended only after notice and hearing in accordance with Title 2, chapter 4.

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(ii) The property to be affected by the project must be adequately delineated according to the specifications required by the board.

(iii) The project must involve the application of secondary recovery methods that can reasonably be expected to result in an increase, determined by the board to be significant in light of all the facts and circumstances, in the amount of petroleum or mineral or crude oil that may potentially be recovered. For purposes of this section, secondary recovery methods include but are not limited to:

(A) the injection of water into the producing formation for the purposes of maintaining pressure in that formation or for the purpose of increasing the flow of petroleum or mineral or crude oil from the producing formation to a producing well bore; or

(B) any other method approved by the board as a secondary recovery method.

~~(c)~~*(d)* a 2.5% state severance tax on the gross taxable value of the incremental petroleum and other mineral or crude oil produced by the person, plus the local government severance tax of 5% on the gross taxable value, as defined in subsection ~~(6)(a)(ii)~~ *(8)(a)(ii)*, of the incremental petroleum and other mineral or crude oil produced by the person, other than new production, from each lease or unit in a tertiary recovery project after July 1, 1985. For purposes of this section, a tertiary recovery project must meet *each of* the following requirements:

(i) ~~the~~ *The* project must be approved as a tertiary recovery project by the board of oil and gas conservation. The approval may be extended only after notice and hearing in accordance with Title 2, chapter 4.

(ii) ~~the~~ *The* property to be affected by the project must be adequately delineated according to the specifications required by the board~~; and~~.

(iii) ~~the~~ *The* project must involve the application of one or more tertiary recovery methods that can reasonably be expected to result in an increase, determined by the board to be significant in light of all the facts and circumstances, in the amount of crude oil ~~which~~ *that* may potentially be recovered. For purposes of this section, tertiary recovery methods include but are not limited to:

(A) miscible fluid displacement;

(B) steam drive injection;

(C) micellar/emulsion flooding;

(D) in situ combustion;

(E) polymer augmented water flooding;

(F) cyclic steam injection;

(G) alkaline or caustic flooding;

(H) carbon dioxide water flooding;

(I) immiscible carbon dioxide displacement; or

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(J) any other method approved by the ~~department~~ *board* as a tertiary recovery method.

(e) except as provided in subsection (4)(b), a 2% state severance tax on the gross taxable value of the incremental petroleum and other mineral or crude oil produced by the person, plus the local government severance tax of 3.3% on the gross taxable value, as defined in subsection (8)(a)(ii), of the incremental petroleum and other mineral or crude oil produced by the person, other than new production, from each lease or unit in a tertiary recovery project commenced or expanded after December 31, 1993, and before January 1, 2002. The tertiary recovery project must meet the requirements of subsections (1)(d)(i) through (1)(d)(iii).

~~(d)~~*(f)* a 5% local government severance tax on the gross taxable value, as defined in subsection ~~(6)(a)(ii)~~ *(8)(a)(ii)*, of all petroleum and other mineral or crude oil produced by the person other than new production produced by a stripper well, as defined in subsection ~~(7)~~ *(9)*.

~~(2) For purposes of this section, the term "incremental petroleum and other mineral or crude oil" means the amount of oil, as determined by the board, to be in excess of what would have been produced by primary and secondary methods. The determination arrived at by the board must be made only after notice and hearing and shall specify through the life of a tertiary project, calendar year by calendar year, the combined amount of primary and secondary production that must be used to establish the incremental production from each lease or unit in a tertiary recovery project.~~

(2) For purposes of this section, the following definitions apply:

(a) "Board" means the board of oil and gas conservation.

(b) "Enhanced recovery project" means the use of any process for the displacement of oil from the earth other than primary recovery and includes the use of an immiscible, miscible, chemical, thermal, or biological process.

(c) "Existing enhanced recovery project" means an enhanced recovery project that began development before January 1, 1994.

(d) "Expanded enhanced recovery project" or "expansion" means the addition of injection wells or production wells, the change of injection pattern, or other operating changes to an existing enhanced recovery project that will result in the recovery of oil that would not otherwise be recovered.

(e) "Incremental production" means:

(i) the volume of oil produced by either a well in primary recovery recompleted as a horizontally completed well or by an expanded enhanced recovery project, which volume of production is in excess of the production decline rate established under the conditions existing before:

(A) the commencement of the recompletion of a well as a horizontally completed well;

(B) expansion of the existing enhanced recovery project; or

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(C) commencing a new enhanced recovery project; or

(ii) in the case of any project that had no taxable production prior to commencing the enhanced recovery project, all production of petroleum or mineral or crude oil from the enhanced recovery project.

(f) "New enhanced recovery project" means an enhanced recovery project that began development after December 31, 1993, and before January 1, 2002.

(g) "Operator" or "producer" means the person responsible for the actual physical operation of an enhanced recovery project.

(h) "Primary recovery" means the displacement of oil from the earth into the well bore by means of the natural pressure of the oil reservoir and includes artificial lift.

(i) "Production decline rate" means the projected rate of future oil production, extrapolated by a method approved by the board, that must be determined for a project area prior to commencing a new or expanded secondary recovery project or the recompletion of a well as a horizontally completed well. The approved production decline rate must be certified in writing to the department of revenue by the board. In that certification, the board shall identify the project area and shall specify the projected rate of future oil production by calendar year and by calendar quarter within each year. The certified rate of future oil production must be used to determine the volume of incremental production that qualifies for the tax rate imposed under subsection (1)(c) or (1)(e).

(j) "Secondary recovery project" means an enhanced recovery project that is not a tertiary recovery project.

(k) "Tertiary recovery project" means an enhanced recovery project using a tertiary recovery method described in subsection (1)(d)(iii).

(3) (a) A local government severance tax is imposed on the gross value paid in cash or apportioned in kind to a nonworking interest owner by the operator or producer of extracted marketable petroleum, other mineral or crude oil, or natural gas subject to local government severance taxes imposed under this chapter. The local government severance tax on nonworking interest owners is computed at the following rates:

(i) 12.5% on the gross value paid in cash or apportioned in kind to a nonworking interest owner by the operator or producer of extracted marketable petroleum and other mineral or crude oil;

(ii) 15.25% on the gross value paid in cash or apportioned in kind to a nonworking interest owner by the operator or producer of extracted or marketable natural gas.

(b) The amounts paid or apportioned in kind to nonworking interest owners are exempt from the local government severance taxes imposed under 15-36-121(2) and under subsections (1)(a) through ~~(1)(d)~~ *(1)(f)* of this section.

(4) (a) Incremental production from a secondary recovery project is subject to the tax rate imposed in subsection (1)(c) if the average price per barrel of oil as reported in the Wall Street Journal for west Texas intermediate crude oil during

a calendar quarter is less than $30 a barrel. If the price of oil is equal to or greater than $30 per barrel in a calendar quarter as determined in subsection (5), incremental production from a secondary recovery project is taxed as provided in subsection (1)(a) for production occurring in that quarter.

(b) Incremental production from a tertiary recovery project is subject to the tax rate imposed in subsection (1)(e) if the average price per barrel of oil as reported in the Wall Street Journal for west Texas intermediate crude oil during a calendar quarter is less than $30 a barrel. If the price of oil is equal to or greater than $30 per barrel in a calendar quarter as determined in subsection (5), incremental production from a tertiary recovery project is taxed as provided in subsection (1)(d) for production occurring in that quarter.

(5) For the purposes of subsections (4)(a) and (4)(b), the average price per barrel must be computed by dividing the sum of the daily price for west Texas intermediate crude oil as reported in the Wall Street Journal for the calendar quarter by the number of days on which the price was reported in the quarter.

~~(4)~~*(6)* Nothing in this part may be construed as requiring laborers or employees hired or employed by any person to drill any oil or natural gas well or to work in or about any oil or natural gas well or prospect or explore for or do any work for the purpose of developing any petroleum, other mineral or crude oil, or natural gas to pay the severance tax, nor may work done or the drilling of a well or wells for the purpose of prospecting or exploring for petroleum, other mineral or crude oil, or natural gas or for the purpose of developing them be considered to be the engaging in or carrying on of the business. If, in the doing of any work, in the drilling of any oil or natural gas well, or in prospecting, exploring, or development work, any merchantable or marketable petroleum, other mineral or crude oil, or natural gas in excess of the quantity required by the person for carrying on the operation is produced sufficient in quantity to justify the marketing of the petroleum, other mineral or crude oil, or natural gas, the work, drilling, prospecting, exploring, or development work is considered to be the engaging in and carrying on of the business of producing petroleum, other mineral or crude oil, or natural gas within this state within the meaning of this section.

~~(5)~~*(7)* Every person required to pay the state or local government severance tax under this section shall pay the tax in full for the person's own account and for the account of each of the other ~~owner or~~ owners of the gross proceeds in value or in kind of all the marketable petroleum or other mineral or crude oil or natural gas extracted and produced, including *an* owner or owners of working interest, royalty interest, overriding royalty interest, carried working interest, net proceeds interest, production payments, and all other interest or interests owned or carved out of the total gross proceeds in value or in kind of the extracted marketable petroleum or other mineral or crude oil or natural gas, except that any of the interests that are owned by the federal, state, county, or municipal governments are exempt from taxation under this chapter. Unless otherwise provided in a contract or lease, the pro rata share of any royalty owner or owners will be deducted from any settlements under the lease or leases or division of proceeds orders or other contracts.

~~(6)~~*(8)* For purposes of this section, the following definitions apply:

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(a) (i) "Gross taxable value", for the purpose of computing the state severance tax, means the gross value of the product as determined in 15-36-103.

(ii) "Gross taxable value", for the purpose of computing the local government severance tax, means the gross value of the product as determined in 15-36-103 less the gross value paid in cash or apportioned in kind to a nonworking interest owner by the operator or producer of extracted marketable petroleum, other mineral or crude oil, or natural gas.

(b) "Nonworking interest owner" means any interest owner who does not share in the development and operation costs of the lease or unit.

~~(7)~~*(9)* For the purposes of this section, "stripper well" means a well that produces less than 10 barrels a day, determined by dividing the amount of production from a lease or unitized area for the year prior to the current calendar year by the number of producing wells in the lease or unitized area and by dividing the resulting quotient by 365."

Section 10. Section 7-1-2111, MCA, is amended to read:

"**7-1-2111. Classification of counties.** (1) For the purpose of regulating the compensation and salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds, the counties of this state must be classified according to that percentage of the true and full valuation of the property in the counties upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504(2), as follows:

(a) first class—all counties having a taxable valuation of $50 million or over;

(b) second class—all counties having a taxable valuation of more than $30 million and less than $50 million;

(c) third class—all counties having a taxable valuation of more than $20 million and less than $30 million;

(d) fourth class—all counties having a taxable valuation of more than $15 million and less than $20 million;

(e) fifth class—all counties having a taxable valuation of more than $10 million and less than $15 million;

(f) sixth class—all counties having a taxable valuation of more than $5 million and less than $10 million;

(g) seventh class—all counties having a taxable valuation of less than $5 million.

(2) As used in this section, taxable valuation means the taxable value of taxable property in the county as of the time of determination plus:

(a) that portion of the taxable value of the county on December 31, 1981, attributable to automobiles and trucks having a rated capacity of three-quarters of a ton or less;

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(b) that portion of the taxable value of the county on December 31, 1989, attributable to automobiles and trucks having a rated capacity of more than three-quarters of a ton but less than or equal to 1 ton;

(c) the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~, as provided in 15-23-607, divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%;

(d) the amount of value represented by new production *or production from horizontally completed wells* exempted from tax as provided in 15-23-612 multiplied by 60%, plus the value of any other production occurring after December 31, 1988, multiplied by 60%; and

(e) 6% of the taxable value of the county on January 1 of each tax year."

Section 11. Section 7-7-2101, MCA, is amended to read:

"**7-7-2101. Limitation on amount of county indebtedness.** (1) ~~No~~ *A* county may *not* become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 23% of the total of the taxable value of the property ~~therein~~ *in the county* subject to taxation, plus the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%, plus the amount of value represented by new production *and production from horizontally completed wells* exempted from tax as provided in 15-23-612 multiplied by 60%, plus the value of any other production occurring after December 31, 1988, multiplied by 60%, as ascertained by the last assessment for state and county taxes previous to the incurring of the indebtedness.

(2) ~~No~~ *A* county may *not* incur indebtedness or liability for any single purpose to an amount exceeding $500,000 without the approval of a majority of the electors ~~thereof~~ *of the county* voting at an election to be provided by law, except as provided in 7-21-3413 and 7-21-3414.

(3) ~~Nothing in this~~ *This* section ~~shall~~ *does not* apply to the acquisition of conservation easements as set forth in Title 76, chapter 6."

Section 12. Section 7-7-2203, MCA, is amended to read:

"**7-7-2203. Limitation on amount of bonded indebtedness.** (1) Except as provided in subsections (2) through (4), ~~no~~ *a* county may *not* issue general obligation bonds for any purpose ~~which~~ *that*, with all outstanding bonds and warrants except county high school bonds and emergency bonds, will exceed 11.25% of the total of the taxable value of the property ~~therein~~ *in the county*, plus the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%, plus the amount of value represented by new production *and production from horizontally completed wells* exempted from tax as provided in 15-23-612 multiplied by 60%, plus the value of any other production occurring after December 31, 1988, multiplied by 60%, to be ascer-

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tained by the last assessment for state and county taxes prior to the proposed issuance of bonds.

(2) In addition to the bonds allowed by subsection (1), a county may issue bonds ~~which~~ *that*, with all outstanding bonds and warrants, will not exceed 27.75% of the total of the taxable value of the property in the county subject to taxation, plus the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%, plus the amount of value represented by new production *and production from horizontally completed wells* exempted from tax as provided in 15-23-612 multiplied by 60%, when necessary to do so, plus the value of any other production occurring after December 31, 1988, multiplied by 60% for the purpose of acquiring land for a site for county high school buildings and for erecting or acquiring buildings ~~thereon~~ *on the site* and furnishing and equipping the ~~same~~ *buildings* for county high school purposes.

(3) In addition to the bonds allowed by subsections (1) and (2), a county may issue bonds for the construction or improvement of a jail ~~which~~ *that* will not exceed 12.5% of the taxable value of the property in the county subject to taxation.

(4) The limitation in subsection (1) does not apply to refunding bonds issued for the purpose of paying or retiring county bonds lawfully issued prior to January 1, 1932, or to bonds issued for the repayment of tax protests lost by the county."

Section 13. Section 7-14-2524, MCA, is amended to read:

"7-14-2524. Limitation on amount of bonds issued — excess void. (1) Except as otherwise provided in 7-7-2203, 7-7-2204, and this section, a county may not issue bonds that, with all outstanding bonds and warrants except county high school bonds and emergency bonds, will exceed 11.25% of the total of the taxable value of the property in the county, plus the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%, plus the amount of value represented by new production *and production from horizontally completed wells* exempted from tax as provided in 15-23-612 multiplied by 60%, plus the value of any other production occurring after December 31, 1988, multiplied by 60%. The taxable property and the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ must be ascertained by the last assessment for state and county taxes prior to the issuance of the bonds.

(2) A county may issue bonds that, with all outstanding bonds and warrants except county high school bonds, will exceed 11.25% but will not exceed 22.5% of the total of the taxable value of the property, plus the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%, plus the amount of value represented by new production *and production from horizontally completed wells* exempted from tax as provided in 15-23-612 mul-

tiplied by 60%, plus the value of any other production occurring after December 31, 1988, multiplied by 60% when necessary for the purpose of replacing, rebuilding, or repairing county buildings, bridges, or highways that have been destroyed or damaged by an act of God or by a disaster, catastrophe, or accident.

(3) The value of the bonds issued and all other outstanding indebtedness of the county, except county high school bonds, may not exceed 22.5% of the total of the taxable value of the property within the county, plus the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%, plus the amount of value represented by new production *and production from horizontally completed wells* exempted from tax as provided in 15-23-612 multiplied by 60%, plus the value of any other production occurring after December 31, 1988, multiplied by 60%, as ascertained by the last preceding general assessment."

Section 14. Section 7-14-2525, MCA, is amended to read:

"7-14-2525. Refunding agreements and refunding bonds authorized. (1) Whenever the total indebtedness of a county exceeds 22.5% of the total of the taxable value of the property therein, plus the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%, plus the amount of value represented by new production *and production from horizontally completed wells* exempted from tax as provided in 15-23-612 multiplied by 60%, plus the value of any other production occurring after December 31, 1988, multiplied by 60%, and the board determines that the county is unable to pay the indebtedness in full, the board may:

(a) negotiate with the bondholders for an agreement whereby the bondholders agree to accept less than the full amount of the bonds and the accrued unpaid interest ~~thereon~~ in satisfaction ~~thereof~~ *of the bonds*;

(b) enter into ~~such~~ *the* agreement;

(c) issue refunding bonds for the amount agreed upon.

(2) These bonds may be issued in more than one series, and each series may be either amortization or serial bonds.

(3) The plan agreed upon between the board and the bondholders ~~shall~~ *must* be embodied in full in the resolution providing for the ~~issue~~ *issuance* of the bonds."

Section 15. Section 7-16-2327, MCA, is amended to read:

"7-16-2327. Indebtedness for park purposes. (1) Subject to the provisions of subsection (2), a county park board, in addition to powers and duties now given under law, has the power and duty to contract an indebtedness in behalf of a county, upon the credit ~~thereof~~ *of the county*, for the purposes of 7-16-2321(1) and (2).

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(2) (a) The total amount of indebtedness authorized to be contracted in any form, including the then-existing indebtedness, ~~must~~ *may* not at any time exceed 13% of the total of the taxable value of the taxable property in the county, plus the amount of *taxes levied on* ~~interim production and~~ new production, *production from horizontally completed wells, and incremental production* ~~taxes levied~~ divided by the appropriate tax rates described in 15-23-607(2)(a), ~~or~~ (2)(b), *or (2)(c)* and multiplied by 60%, plus the amount of value represented by new production *and production from horizontally completed wells* exempted from tax as provided in 15-23-612, plus the value of any other production occurring after December 31, 1988, multiplied by 60%, ascertained by the last assessment for state and county taxes previous to the incurring of the indebtedness.

(b) ~~No money~~ *Money* may *not* be borrowed on bonds issued for the purchase of lands and improving ~~same~~ *the land* for any ~~such~~ purpose until the proposition has been submitted to the vote of those qualified under the provisions of the state constitution to vote at ~~such~~ *the* election in the *affected* county ~~affected thereby~~ and a majority vote is cast in favor ~~thereof~~ *of the bonds.*"

Section 16. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the sum of direct state aid and the special education allowable cost payment for the district by totaling:

(i) the district's nonisolated school BASE budget requirement to be met by a district levy as provided in 20-9-303; and

(ii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the maximum general fund budget.

(b) Determine the money available for the reduction of the property tax on the district for the general fund by totaling:

(i) general fund balance reappropriated, as established under the provisions of 20-9-104; and

(ii) amounts received in the last fiscal year for which revenue reporting was required for each of the following sources:

(A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;

(B) revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

(C) net proceeds taxes for new production, *production from horizontally completed wells, and incremental production*, as defined in 15-23-601;

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(D) revenue from local government severance taxes as provided in 15-36-112;

(E) revenue from coal gross proceeds under 15-23-703;

(F) interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4);

(G) revenue from corporation license taxes collected from financial institutions under the provisions of 15-31-702; and

(H) any other revenue received during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid.

(c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the property tax required to finance the general fund that has been determined in subsection (1)(b) from any general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to determine the general fund BASE budget levy requirement.

(d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303, and any additional financing as provided in 20-9-353 to determine any additional general fund levy requirements.

(2) The county superintendent shall calculate the number of mills to be levied on the taxable property in the district to finance the general fund levy requirement for any amount that does not exceed the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:

(a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

(3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the general fund net levy requirement for the district, and a levy must be set by the county commissioners in accordance with 20-9-142."

Section 17. Section 20-9-331, MCA, is amended to read:

"20-9-331. Basic county tax and other revenues for county equalization of the elementary district BASE funding program. (1) The county commissioners of each county shall levy an annual basic tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the elementary BASE funding programs of the school districts in the county and to the state special revenue fund, state equalization aid account, in the following manner:

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(a) In order to determine the amount of revenue raised by this levy ~~which~~ *that* is retained by the county, the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE funding programs of all elementary districts of the county.

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the state treasurer for deposit to the state special revenue fund, state equalization aid account, immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

(2) The revenue realized from the county's portion of the levy prescribed by this section and the revenue from the following sources must be used for the equalization of the elementary BASE funding program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue by the county treasurer in accordance with 20-9-212(1):

(a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for the common school fund under the provisions of 17-3-222;

(b) the portion of the federal flood control act funds distributed to a county and designated for expenditure for the benefit of the county common schools under the provisions of 17-3-232;

(c) all money paid into the county treasury as a result of fines for violations of law, except money paid to a justice's court, and the use of which is not otherwise specified by law;

(d) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's accounts for the various sources of revenue established or referred to in this section;

(e) any federal or state money distributed to the county as payment in lieu of property taxation, including federal forest reserve funds allocated under the provisions of 17-3-213;

(f) gross proceeds taxes from coal under 15-23-703;

(g) net proceeds taxes for new production, *production from horizontally completed wells, and incremental production,* as defined in 15-23-601, and local government severance taxes on any other production occurring after December 31, 1988; and

(h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

Section 18. Section 20-9-333, MCA, is amended to read:

"20-9-333. Basic special levy and other revenues for county equalization of high school district BASE funding program. (1) The county commissioners of each county shall levy an annual basic special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property

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within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the BASE funding programs of high school districts in the county and to the state special revenue fund, state equalization aid account, in the following manner:

(a) In order to determine the amount of revenue raised by this levy ~~which~~ *that* is retained by the county, the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the county's high school tuition obligation and the total of the BASE funding programs of all high school districts of the county.

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the state treasurer for deposit to the state special revenue fund, state equalization aid account, immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

(2) The revenue realized from the county's portion of the levy prescribed in this section and the revenue from the following sources must be used for the equalization of the high school BASE funding program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue by the county treasurer in accordance with 20-9-212(1):

(a) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's accounts for the various sources of revenue established in this section;

(b) any federal or state money distributed to the county as payment in lieu of property taxation, including federal forest reserve funds allocated under the provisions of 17-3-213;

(c) gross proceeds taxes from coal under 15-23-703;

(d) net proceeds taxes for new production, *production from horizontally completed wells, and incremental production*, as defined in 15-23-601, and local government severance taxes on any other production occurring after December 31, 1988; and

(e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

Section 19. Section 20-10-144, MCA, is amended to read:

"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund budget. Before the fourth Monday of July and in accordance with 20-9-123, the county superintendent shall compute the revenue available to finance the transportation fund budget of each district. The county superintendent shall compute the revenue for each district on the following basis:

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(1) The "schedule amount" of the preliminary budget expenditures that is derived from the rate schedules in 20-10-141 and 20-10-142 must be determined by adding the following amounts:

(a) the sum of the maximum reimbursable expenditures for all approved school bus routes maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus route approved by the county transportation committee and maintained by ~~such~~ *the* district); plus

(b) the total of all individual transportation per diem reimbursement rates for the district as determined from the contracts submitted by the district multiplied by the number of pupil-instruction days scheduled for the ensuing school attendance year; plus

(c) any estimated costs for supervised home study or supervised correspondence study for the ensuing school fiscal year; plus

(d) the amount budgeted on the preliminary budget for the contingency amount permitted in 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or $100, whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation amount and used in this determination of the schedule amount; plus

(e) any estimated costs for transporting a child out of district when the child has mandatory approval to attend school in a district outside the district of residence.

(2) (a) The schedule amount determined in subsection (1) or the total preliminary transportation fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county revenue to be budgeted on the following basis:

(i) one-half is the budgeted state transportation reimbursement, except that the state transportation reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be 50% of the schedule amount attributed to the transportation of special education pupils; and

(ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the manner provided in 20-10-146.

(b) When the district has a sufficient amount of cash for reappropriation and other sources of district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero, any remaining amount of district revenue and cash reappropriated must be used to reduce the county financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to reduce the state financial obligation in subsection (2)(a)(i).

(c) The county revenue requirement for a joint district, after the application of any district money under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same proportion as the ANB of the joint district is distributed by pupil residence in each county.

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(3) The total of the money available for the reduction of property tax on the district for the transportation fund must be determined by totaling:

(a) anticipated federal money received under the provisions of Title I of Public Law 81-874 or other anticipated federal money received in lieu of that federal act;

(b) anticipated payments from other districts for providing school bus transportation services for the district;

(c) anticipated payments from a parent or guardian for providing school bus transportation services for a child;

(d) anticipated or reappropriated interest to be earned by the investment of transportation fund cash in accordance with the provisions of 20-9-213(4);

(e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

(f) anticipated revenue from coal gross proceeds under 15-23-703;

(g) anticipated net proceeds taxes for new production, *production from horizontally completed wells, and incremental production*, as defined in 15-23-601, and local government severance taxes on any other production occurring after December 31, 1988;

(h) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320 through 20-5-324;

(i) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year that may be used to finance the transportation fund; and

(j) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year and is for the purpose of paying transportation fund warrants issued by the district under the final transportation fund budget.

(4) The district levy requirement for each district's transportation fund must be computed by:

(a) subtracting the schedule amount calculated in subsection (1) from the total preliminary transportation budget amount; and

(b) subtracting the amount of money available to reduce the property tax on the district, as determined in subsection (3), from the amount determined in subsection (4)(a).

(5) The transportation fund levy requirements determined in subsection (4) for each district must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the transportation fund levy

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requirements for the district, and the levy must be made by the county commissioners in accordance with 20-9-142."

Section 20. **Fees for processing applications.** (1) The board shall establish a fee schedule to defray the expenses incurred for processing an application from an operator or producer of oil seeking approval of a new or expanded enhanced recovery project, as defined in 15-23-601 or 15-36-101. The fee must be paid by the owner or operator seeking approval of the project.

(2) The board shall, by rule, determine the amount of the fee based on the complexity of processing the application.

Section 21. **Reports by board of oil and gas conservation to revenue oversight committee.** The board of oil and gas conservation shall report at least once a year to the revenue oversight committee regarding the implementation of [this act]. The reports must include but are not limited to information regarding:

(1) the methods used to determine production decline rates;

(2) rules adopted to implement [this act];

(3) the number of enhanced recovery projects completed or anticipated to be completed in a year; and

(4) the number of horizontal wells completed or anticipated to be completed in a year and the method of recovery from the horizontal wells.

Section 22. **Codification instruction.** (1) [Section 8] is intended to be codified as an integral part of Title 15, chapter 23, part 6, and the provisions of Title 15, chapter 23, part 6, apply to [section 8].

(2) [Section 20] is intended to be codified as an integral part of Title 82, chapter 11, part 1, and the provisions of Title 82, chapter 11, part 1, apply to [section 20].

Section 23. **Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 24. **Effective date — applicability.** [This act] is effective on passage and approval and applies to oil production from new or expanded enhanced recovery projects and to tax years that begin after December 31, 1993.

Approved December 17, 1993.

CHAPTER NO. 10

[HB 15]

AN ACT GENERALLY REVISING THE LAWS RELATING TO MOTOR FUEL; STATUTORILY APPROPRIATING MOTOR FUEL TAXES TO COUNTIES AND INCORPORATED CITIES AND TOWNS; CLARIFYING THE SPECIAL FUEL LICENSE TAX RATE; EXEMPTING DYED SPECIAL FUEL FROM

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TAXATION; PROVIDING THAT DYED FUEL MAY BE USED FOR OFF-HIGHWAY USE; PROVIDING A TAX REFUND FOR SPECIAL FUEL USED OFF-HIGHWAY; PROVIDING A REFUND FOR SPECIAL FUEL USED BY GOVERNMENT AGENCIES; REVISING THE ENFORCEMENT OF MOTOR FUEL LAWS; PROVIDING PENALTIES FOR CERTAIN VIOLATIONS OF THE MOTOR FUELS LAWS; AMENDING SECTIONS 15-70-101, 15-70-301, 15-70-302, 15-70-303, 15-70-304, 15-70-305, 15-70-306, 15-70-311, 15-70-321, 15-70-324, 15-70-330, 15-70-341, 15-70-343, 15-70-349, 15-70-356, 15-70-361, 15-70-364, 17-7-502, AND 61-12-206, MCA; REPEALING SECTIONS 15-70-309 AND 15-70-315, MCA; AND PROVIDING EFFECTIVE DATES AND A RETROACTIVE APPLICABILITY DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 15-70-101, MCA, is amended to read:

"15-70-101. Disposition of funds. All taxes, interest, and penalties collected under this chapter, except those collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be placed in the state special revenue fund to the credit of the department of transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance with the provisions of 15-1-501(6), be paid by the department of transportation from the state special revenue fund to the cities, towns, and counties.

(1) $16,766,000 of the funds collected under this chapter, except those collected by a justice's court, *is statutorily appropriated, as provided in 17-7-502, to the department of transportation and* must be allocated each fiscal year on a monthly basis to the counties and incorporated cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

(a) $54,000 must be designated for the purposes and functions of the Montana rural technical assistance transportation program in Bozeman;

(b) $6,323,000 must be divided among the various counties in the following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate system and the federal-aid primary system, bears to the total rural road mileage in the state, exclusive of the federal-aid interstate system and the federal-aid primary system;

(ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns bears to the total rural population in the state outside incorporated cities and towns;

(iii) 20% in the ratio that the land area of each county bears to the total land area of the state;

(c) $10,389,000 must be divided among the incorporated cities and towns in the following manner:

(i) 50% of the sum in the ratio that the population within the corporate limits of the city or town bears to the total population within corporate limits of all the cities and towns in Montana;

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(ii) 50% in the ratio that the city or town street and alley mileage, exclusive of the federal-aid interstate system and the federal-aid primary system, within corporate limits bears to the total street and alley mileage, exclusive of the federal-aid interstate system and federal-aid primary system, within the corporate limits of all cities and towns in Montana.

(2) All funds allocated by this section to counties, cities, and towns must be used for the construction, reconstruction, maintenance, and repair of rural roads or city or town streets and alleys or for the share that the city, town, or county might otherwise expend for proportionate matching of federal funds allocated for the construction of roads or streets that are part of the federal-aid primary or secondary highway system or urban extensions to those systems, except that the governing body of a town or third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated to that town or third-class city for the purchase of capital equipment and supplies to be used for the maintenance and repair of town or third-class city streets and alleys.

(3) All funds allocated by this section to counties, cities, and towns must be disbursed to the lowest responsible bidder according to applicable bidding procedures followed in all cases in which the contract for construction, reconstruction, maintenance, or repair is in excess of $4,000.

(4) For the purposes of this section in which distribution of funds is made on a basis related to population, the population must be determined by the last preceding official federal census.

(5) For the purposes of this section in which determination of mileage is necessary for distribution of funds, it is the responsibility of the cities, towns, and counties to furnish to the department of transportation a yearly certified statement indicating the total mileage within their respective areas applicable to this chapter. All mileage submitted is subject to review and approval by the department of transportation.

(6) Except by a town or third-class city as provided in subsection (2), the funds authorized by this section may not be used for the purchase of capital equipment.

(7) Funds authorized by this section must be used for construction and maintenance programs only."

Section 2. Section 15-70-301, MCA, is amended to read:

"**15-70-301. Definitions.** As used in this part, the following definitions apply:

(1) "Agricultural use" means use of special fuel by a person whose major endeavor is and primary source of earned income is from the business of farming or ranching.

(2) ~~"Authorization" means an uncanceled special fuel tax prepaid authorization issued by the department.~~

~~(3)~~ "Bond" means:

(a) a bond executed by a special fuel user as principal with a corporate surety qualified under the laws of Montana, payable to the state of Montana, conditioned upon faithful performance of all requirements of this part, including the payment of all taxes, penalties, and other obligations of the special fuel user arising out of this part; or

(b) a deposit with the department by the special fuel user, under terms and conditions the department may prescribe, of certificates of deposit or irrevocable letters of credit issued by a bank and insured by the federal deposit insurance corporation.

~~(4)~~*(3)* "Bulk delivery" means placing special fuel not intended for resale in storage or containers. The term does not mean special fuel delivered into the supply tank of a motor vehicle.

~~(5)~~*(4)* "Cardtrol" or "keylock" means any unique device intended to allow access to a special fuel dealer's unattended pump or dispensing unit for the purpose of delivery of special fuel to an authorized user of the unique device.

~~(6)~~*(5)* "Department" means the department of transportation.

~~(7)~~*(6)* (a) "Distributed" means, at the time special fuel is withdrawn, the withdrawal from a storage tank, a refinery, or a terminal storage in this state for sale or use in this state or for the transportation other than by pipeline to another refinery in this state or a pipeline terminal in this state of the following:

(i) special fuel refined, produced, manufactured, or compounded in this state and placed in storage tanks in this state;

(ii) special fuel transferred from a refinery or pipeline terminal in this state and placed in tanks at the refinery or terminal; or

(iii) special fuel imported into this state and placed in storage at a refinery or pipeline terminal.

(b) When withdrawn from the storage tanks, refinery, or terminal, the special fuel may be distributed only by a person who is the holder of a valid distributor's license.

(c) Special fuel imported into this state, other than that special fuel placed in storage at a refinery or pipeline terminal, is considered to be "distributed" after it has arrived in and is brought to rest in this state.

~~(8)~~*(7)* "Distributor" means:

(a) a person who engages in the business in this state of producing, refining, manufacturing, or compounding special fuel for sale, use, or distribution;

(b) an importer who imports special fuel for sale, use, or distribution;

(c) a person who engages in the wholesale distribution of special fuel in this state and chooses to become licensed to assume the Montana state special fuel tax liability; and

(d) an exporter as defined in this section.

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~~(9)~~*(8)* "Export" means to transport out of Montana, by any means other than in the fuel supply tank of a motor vehicle, special fuel received from a refinery or pipeline terminal within Montana.

~~(10)~~*(9)* "Exporter" means a person who transports, other than in the fuel supply tank of a motor vehicle, special fuel received from a refinery or pipeline terminal in Montana to a destination outside Montana for sale, use, or consumption outside Montana.

~~(11)~~*(10)* "Import" means to first receive special fuel into possession or custody after its arrival and coming to rest at a destination within the state or to first receive any special fuel shipped or transported into this state from a point of origin outside of this state other than in the fuel supply tank of a motor vehicle.

~~(12)~~*(11)* "Importer" means a person who transports or arranges for the transportation of special fuel into Montana for sale, use, or distribution.

~~(13)~~*(12)* "Motor vehicle" means all vehicles that are operated upon the public highways or streets of this state and that are operated in whole or in part by the combustion of special fuel.

~~(14)~~*(13)* "Person" includes any person, firm, association, joint-stock company, syndicate, partnership, or corporation. Whenever the term is used in any clause prescribing and imposing a fine or imprisonment, or both, as applied to a firm, association, syndicate, or partnership, it includes the partners or members and, as applied to joint-stock companies and corporations, the officers.

~~(15)~~*(14)* "Public roads and highways of this state" means all streets, roads, highways, and related structures:

(a) built and maintained with appropriated funds of the United States, the state of Montana, or any political subdivision of the state;

(b) dedicated to public use;

(c) acquired by eminent domain; or

(d) acquired by adverse use by the public, jurisdiction having been assumed by the state or any political subdivision of the state.

~~(16)~~*(15)* "Special fuel" means those combustible gases and liquids commonly referred to as diesel fuel or any other volatile liquid of less than 46 degrees A.P.I. (American petroleum institute) gravity test, except liquid petroleum gas, when actually sold for use in motor vehicles operating upon the public roads and highways within the state of Montana.

~~(17)~~*(16)* "Special fuel dealer" means:

(a) any person in the business of handling special fuel who delivers any part of the fuel into the fuel supply tank or tanks of a motor vehicle not then owned or controlled by the person;

(b) any person who sells special fuel at a location unattended by the dealer through an unattended pump by use of a cardtrol, keylock, or similar device; or

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(c) any person who provides any facility, with or without attended services, from which more than one special fuel user obtains special fuel for use in the fuel supply tank of a motor vehicle not then controlled by the dealer.

~~(18)~~*(17)* "Special fuel user" means any person other than a county, incorporated city or town, or school district of this state who consumes in this state special fuel for the operation of motor vehicles owned or controlled by the person upon the highways of this state.

~~(19)~~*(18)* "Use", when the term relates to a special fuel user, means the consumption by a special fuel user of special fuels in the operation of a motor vehicle on the highways of this state."

Section 3. Section 15-70-302, MCA, is amended to read:

"15-70-302. Special fuel user's permits required — exceptions. (1) A special fuel user shall obtain *a special fuel user's permit* annually from the department, prior to the use of special fuel for the operation of a motor vehicle or vehicles in this state~~, a special fuel user's permit~~ *in excess of 26,000 pounds gross vehicle weight or registered gross vehicle weight*. Except as provided in subsection (3), a special fuel user shall at all times display the original or a reproduced copy of the permit in each special fuel vehicle operated by the special fuel user upon the public roads and highways. The permit or copy must be exhibited for inspection on request of any motor carrier services division employee, Montana highway patrol officer, authorized employee of the department, or any other law enforcement officer. The special fuel user is responsible for reproducing clear and legible copies of the permit.

(2) Any out-of-state user who operates a special fuel vehicle solely for recreation or for religious, charitable, educational, or other eleemosynary purposes shall secure a special fuel user's courtesy vehicle permit. The permit is not transferable and is valid for 90 days. Permits must be issued at no cost to the user by the department, scale house personnel, and gross vehicle weight patrol crews. The department may require ~~the~~ *a* user who has fuel capacity in excess of 30 gallons to file a report and pay the tax on fuel used in Montana on which the tax has not been paid.

(3) A special fuel user need not display the original or reproduced copy of the special fuel user's permit as required by subsection (1) if the special fuel user is registered and licensed pursuant to the International Fuel Tax Agreement as authorized by 15-70-121 and the vehicle displays a license or decal issued pursuant to the agreement.

~~(4) A person whose use of special fuel is in special fuel vehicles up to 26,000 pounds gross vehicle weight or registered gross vehicle weight shall obtain annually from the department an authorization, as provided in 15-70-309, if the special fuel is not subject to taxation under 15-70-343.~~"

Section 4. Section 15-70-303, MCA, is amended to read:

"15-70-303. Application for permit ~~or authorization~~. (1) Application for a special fuel user's permit ~~or authorization~~ must be made to the department unless otherwise provided in this part.

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(2) The application must be filed upon a form prepared and furnished by the department. The application must contain information the department considers necessary."

Section 5. Section 15-70-304, MCA, is amended to read:

"**15-70-304. Bonding, release of surety, and additional bond.** (1) Except as provided in this section, a special fuel user's permit may not be issued to a person or continued in force unless the person has furnished *a* bond, as defined in 15-70-301 and in a form as the department may require, to secure its compliance with this part and the payment of any taxes, interest, and penalties due and to become due under this part. The department shall waive the bond requirement of a special fuel user not subject to *the provisions of* subsection (2)(a) or (2)(b).

(2) The total amount of the bond or bonds required of a special fuel user must be equivalent to twice the special fuel user's estimated quarterly tax payments as provided in this part, determined as the department considers proper; however, the total amount of the bond or bonds may not be less than:

(a) $5,000 for a special fuel user awarded a contract in accordance with 15-70-321; and

(b) $500 for any other special fuel user who:

(i) requests a special fuel user's permit to be reissued after being canceled for cause; or

(ii) fails to file timely reports and pay tax due as required by 15-70-325 and 15-70-327.

(3) A surety on a bond furnished by a special fuel user, as provided in this section, must be released and discharged from any liability to the state accruing on the bond after the expiration of 30 days from the date when the surety has lodged with the department a written request to be released and discharged, but this provision may not operate to relieve, release, or discharge the surety from any liability already accrued or that accrues before the expiration of the 30-day period. The department shall, promptly upon receiving a release request, notify the special fuel user who furnished the bond, and unless the special fuel user, on or before the expiration of the 30-day period, files a new bond in accordance with the requirements of this section or makes a deposit in lieu of a bond as provided in 15-70-301~~(3)~~*(2)*, the department shall cancel the special fuel user's permit.

(4) The department may require a special fuel user to give a new or additional surety bond or to deposit additional securities of the character specified in 15-70-301~~(3)~~*(2)* if, in its opinion, the security of the surety bond previously filed by the special fuel user or the market value of the properties deposited as security by the special fuel user becomes impaired or inadequate. Upon failure of the special fuel user to give a new additional surety bond or to deposit additional securities within 30 days after being requested to do so by the department, the department shall cancel the permit."

Section 6. Section 15-70-305, MCA, is amended to read:

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"15-70-305. Issuance of permit ~~or authorization~~ — grounds for refusal — hearing. (1) Except as provided in subsection ~~(4)~~ *(3)*, upon receipt of the application and bond in proper form, the department shall issue to the applicant a permit to operate as a special fuel user. Each special fuel user's permit is valid until suspended or revoked for cause or otherwise canceled.

~~(2) Except as provided in subsection (4), upon receipt of the application in proper form, the department shall issue to the applicant an authorization. A holder of an authorization is not required to furnish bond as provided under 15-70-304. The authorization must be issued annually and is valid from the date of its issuance through December 31 of the calendar year, unless a motor vehicle for which the tax is prepaid is sold, or until suspended or revoked for cause or otherwise canceled.~~

~~(3)~~*(2)* If the special fuel user's permit is surrendered or revoked, the special fuel user shall pay a reissuance fee of $100.

~~(4)~~*(3)* The department may refuse to issue a special fuel user's permit ~~or authorization~~ to any person:

(a) who formerly held a permit ~~or authorization~~ that, prior to the time of filing application, has been revoked for cause;

(b) who is not the real party in interest and the permit ~~or authorization~~ of the real party in interest has been revoked for cause prior to the time of filing the application; or

(c) upon other sufficient cause being shown.

(5) Before refusal to issue a permit ~~or authorization~~, the department shall grant the applicant a hearing and shall grant the applicant at least 10 days' written notice of the time and place of hearing.

(6) A special fuel user's permit ~~or authorization~~ is not transferable."

Section 7. Section 15-70-306, MCA, is amended to read:

"15-70-306. Revocation, suspension, and cancellation. (1) The department may revoke the permit ~~or authorization~~ of any special fuel user or any special fuel vehicle permit for reasonable cause. Before revoking a permit ~~or authorization~~, the department shall notify the permittee of its intention, by certified mail addressed to the permittee's last-known address shown in the files of the department, requiring the permittee to appear before the department on a day and hour specified in the notice, not more than 30 days or less than 10 days from date of notice, and show cause, if any, why the permit ~~or authorization~~ should not be revoked~~; provided, however, that~~. *However,* at any time prior to and pending the hearing, the department may in the exercise of reasonable discretion suspend the permit ~~or authorization~~.

(2) Upon revocation *of a permit* by the department ~~of any permit or authorization~~, the holder shall immediately surrender the permit ~~or authorization~~ to the department for cancellation."

Section 8. Section 15-70-311, MCA, is amended to read:

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"15-70-311. Special fuel user's temporary trip permits — nonresident agricultural harvesting equipment special fuel permit. (1) Any person operating a special fuel-powered vehicle over 26,000 pounds gross vehicle weight or registered gross vehicle weight upon the public roads and highways of this state who fails or neglects to carry in the vehicle a valid special fuel vehicle permit, as provided by 15-70-302, is required to purchase a special fuel user's temporary trip permit. The permits must be issued by motor carrier services division employees, Montana highway patrol officers, and other enforcing agents that the department may prescribe by order or rule.

(2) Any nonresident upon entering the state with agricultural harvesting equipment that is over 26,000 pounds gross vehicle weight or registered gross vehicle weight and that is powered by special fuel and operating upon the public roads and highways of this state who fails or neglects to carry in or on equipment a valid special fuel vehicle permit, as provided by 15-70-302, is required to purchase a nonresident agricultural harvesting equipment special fuel permit. The permit must be issued by motor carrier services division employees, Montana highway patrol officers, and other enforcing agents that the department may prescribe by order or rule.

~~(3) A resident or nonresident operating a special fuel-powered vehicle up to 26,000 pounds gross vehicle weight or registered gross vehicle weight in this state is exempt from obtaining an authorization under 15-70-309 if the special fuel tax is paid at the time of purchase.~~"

Section 9. Section 15-70-321, MCA, is amended to read:

"15-70-321. Tax on diesel fuel and volatile liquids. (1) The department shall, under the provisions of rules issued by it, collect or cause to be collected from the owners or operators of motor vehicles a tax, as provided in subsection (2)~~,~~:

(a) for each gallon of *undyed* diesel fuel or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test when actually sold or used to produce motor power to operate motor vehicles upon the public highways or streets within the state*; and*

(b) for each gallon of diesel fuel or other volatile liquid, except liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test when actually sold or used in motor vehicles, motorized equipment, and the internal combustion of any engines, including stationary engines, used in connection with any work performed under any contracts pertaining to the construction, reconstruction, or improvement of any highway or street and their appurtenances awarded by any public agencies, including federal, state, county, municipal, or other political subdivisions.

(2) The tax imposed in subsection (1) is:

(a) 24 cents per gallon beginning July 1, 1993;

(b) 24 ¾ cents per gallon beginning January 1, 1994; and

(c) 27 ¾ cents per gallon beginning July 1, 1994."

Section 10. Section 15-70-324, MCA, is amended to read:

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"15-70-324. Examination of records — enforcement of part. (1) The department shall enforce the provisions of this part.

(2) The department or its authorized representative may examine the books, papers, records, and equipment of any special fuel user or any person dealing in, transporting, or storing special fuel as defined in this part and ~~to~~ *may* investigate the character of the disposition ~~which~~ *that* any person makes of special fuel in order to ascertain and determine whether all excise taxes due are being properly reported and paid. If the books, papers, records, and equipment are not maintained in this state at the time of demand, they must be furnished at the direction of the department for review either in the offices of the department or at the business location of the taxpayer and must be, if requested by the department, accompanied by the special fuel user.

(3) For the purpose of enforcing the provisions of this part, the fact that a special fuel user has placed or received special fuel into storage or dispensing equipment designed to fuel motor vehicles is prima facie evidence that all of the special fuel has been delivered by the special fuel user into the fuel supply tanks of motor vehicles and consumed in the operation of motor vehicles upon the highways unless the contrary is established by satisfactory evidence.

(4) The department may establish vehicle inspection sites and may stop, detain, and inspect vehicles. A person who purposely or knowingly refuses to permit an inspection authorized by this section is guilty of a misdemeanor punishable by a fine not to exceed $500 upon conviction for the first offense, not to exceed $1,000 upon conviction for the second offense, and not to exceed $2,000 for each subsequent conviction. Each refusal is a separate offense.

~~(4)~~*(5)* The department shall, upon request from officials to whom are entrusted the enforcement of the special fuel tax law of any other state, the District of Columbia, the United States, its territories and possessions, or the provinces of Canada, forward to the officials any information ~~which~~ *that* it may have relative to the receipt, storage, delivery, sale, use, or other disposition of special fuel by any special fuel user, provided the other state or states furnish like information to this state."

Section 11. Section 15-70-330, MCA, is amended to read:

"15-70-330. ~~Penalties for refusal or failure to file return or pay tax when due~~ *Special fuel penalties.* (1) In *the* case of ~~any~~ *a* special fuel user who refuses or fails to file a return required by this part within the time prescribed by 15-70-103 and 15-70-325, there is imposed a penalty of $25 or a sum equal to 10% of the tax due, whichever is greater, together with interest at the rate of 1% on the tax due for each calendar month or fraction of a month during which the refusal or failure continues; provided, however, that if any special fuel user establishes to the satisfaction of the department that the failure to file a return within the time prescribed was due to reasonable cause, the department shall waive the penalty provided by this section.

(2) Whenever a special fuel user files a return but fails to pay in whole or in part the tax due under this part, there must be added to the amount due and unpaid interest at the rate of 1% per month or fraction of a month from the date the tax was due to the date of payment in full.

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(3) (a) A special fuel user may not use dyed special fuel to operate a motor vehicle upon the public highways or streets within the state unless the fuel is subject to taxation under 15-70-321(1)(b) or the use is permitted pursuant to rules adopted under subsection (3)(b). The purposeful or knowing use of dyed special fuel in a motor vehicle operating upon the public highways or streets within the state in violation of this subsection is a misdemeanor punishable by a fine not to exceed $500 upon conviction for the first offense, not to exceed $1,000 upon conviction for the second offense, and not to exceed $2,000 for each subsequent conviction. Each use is a separate offense.

(b) The department shall adopt and enforce reasonable rules for the movement of off-highway vehicles traveling from one location to another on public highways, public roads, or streets when using dyed fuel or nontaxed fuel."

Section 12. Section 15-70-341, MCA, is amended to read:

"15-70-341. *(Effective January 1, 1994)* **License, fee, and security of special fuel distributors.** (1) All special fuel distributors, including importers and exporters as defined in 15-70-301, prior to the commencement of doing business, shall file an application for a license with the department ~~of transportation~~, on forms prescribed and furnished by the department, setting forth the information that may be requested by the department. Each distributor shall at the same time file security with the department in an amount to be determined by the department. However, the required amount of security may not exceed twice the estimated amount of special fuel taxes the distributor will pay to this state each month. Upon approval of the application, the department shall issue to the distributor a nonassignable license that continues in force until surrendered or revoked.

(2) A person who engages in the wholesale distribution of special fuel in this state exercising the option under 15-70-301~~(8)(c)~~*(7)(c)* and not already licensed under 15-70-202 shall pay an annual license fee of $200.

(3) If the distributor's license is surrendered or revoked, the distributor shall pay a reissuance fee of $100.

(4) As used in this section, "security" means:

(a) a bond executed by a distributor as principal with a corporate surety qualified under the laws of Montana, payable to the state of Montana, and conditioned upon faithful performance of all requirements of this part, including the payment of all taxes and penalties; or

(b) (i) a deposit made by the distributor with the department, under the conditions that the department may prescribe; or

(ii) certificates of deposit or irrevocable letters of credit issued by a bank and insured by the federal deposit insurance corporation."

Section 13. Section 15-70-343, MCA, is amended to read:

"15-70-343. *(Effective January 1, 1994)* **Special fuel license tax — rate.** (1) Each distributor shall pay to the department of transportation a license tax for the privilege of engaging in and carrying on business in this state. The license tax is in the amount ~~of 20 cents~~ *{imposed under 15-70-321}* for each gallon of

special fuel that is distributed by the distributor within the state and upon which the special fuel license tax has not been paid by any other distributor.

(2) Special fuel may not be included in the measure of the distributor's license tax if ~~sold~~ *it is*:

(a) ~~to the United States government, state of Montana, any other state, and any county, incorporated city, town, and school district of this state~~ *dyed at a refinery or terminal for off-highway use; or*

(b) ~~in bulk delivery quantities of 200 gallons or more; or~~

~~(c)~~ *sold* for export, unless the distributor is not licensed and is not paying the tax to the state where the fuel is destined."

Section 14. Section 15-70-349, MCA, is amended to read:

"**15-70-349.** *(Effective January 1, 1994)* **Examination of records.** (1) The department ~~of transportation~~ or its authorized representative may examine the books, papers, records, and equipment of any special fuel distributor or any person dealing in, transporting, or storing special fuel, as defined in this part, and may investigate the character of the disposition that any person makes of the special fuel in order to ascertain and determine whether all license taxes due are being properly reported and paid. If the books, papers, records, and equipment are not maintained in this state at the time of demand, they must be furnished at the direction of the department for review either in the offices of the department or at the business location of the taxpayer.

(2) The records, receipts, and invoices and any other pertinent papers supporting sales of each distributor or any person dealing in, transporting, or storing special fuel must be open and subject to inspection by the department or its authorized representative during business hours in order to ascertain the amount of license tax due.

(3) The department may physically inspect terminals, dyes, dyeing equipment, storage facilities, and downstream storage facilities. A person who purposely or knowingly refuses to permit an inspection authorized by this section is guilty of a misdemeanor punishable by a fine not to exceed $500 upon conviction for the first offense, not to exceed $1,000 upon conviction for the second offense, and not to exceed $2,000 for each subsequent conviction. Each refusal is a separate offense."

Section 15. Section 15-70-356, MCA, is amended to read:

"**15-70-356.** *(Effective January 1, 1994)* **Refund or credit authorized.** (1) A person who purchases and uses any special fuel on which the Montana special fuel license tax has been paid for operating stationary special fuel engines, tractors used off the public highways and streets, or for any commercial use other than operating vehicles upon any of the public highways or streets of this state is allowed a refund of the amount of tax paid directly or indirectly on the special fuel so used. The refund may not exceed the tax paid or to be paid to the state.

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(2) The United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state is entitled to a refund of the taxes paid on special fuel regardless of the use of the special fuel.

~~(2)~~*(3)* A distributor who pays the special fuel license tax to this state erroneously is allowed a credit or refund of the amount of tax paid.

~~(3) A distributor who sells special fuel that is not subject to taxation under 15-70-343 shall complete an exemption certificate for each sale and submit the certificate with the distributor's monthly report.~~

(4) (a) A distributor is entitled to a credit for the tax paid to the department ~~of transportation~~ on those sales of special fuel with a tax liability of $200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor shall have declared the accounts of the purchaser worthless not more than once during a 3-year period and claimed those accounts as bad debts for federal income tax purposes.

(b) If a credit has been granted under subsection (4)(a), any amount collected on the accounts declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a distributor to submit periodic reports listing accounts that are delinquent for 90 days or more.

(5) A person who purchases and exports for sale, use, or consumption outside Montana any special fuel on which the Montana special fuel tax has been paid is entitled to a credit or refund of the amount of tax paid unless the person is not licensed and is not paying the tax to the state where fuel is destined. Upon completion of the reports required under 15-70-351, the department shall authorize the credit or refund."

Section 16. Section 15-70-361, MCA, is amended to read:

"**15-70-361.** *(Effective January 1, 1994)* **Required records.** (1) ~~Special~~ *Except as provided in subsection (5), special* fuel purchased and delivered into bulk storage for use in motor vehicles on public roads and nonhighway use must be fully accounted for by detailed withdrawal records to accurately show the manner in which it was used. Special fuel on hand, determined by actual measurement, must be deducted from a claim and must be reported as an opening inventory on the next claim.

(2) Service stations, bulk dealers, and marinas shall prepare a separate and complete invoice for each withdrawal of special fuel for ~~own use upon~~ which a refund is to be claimed.

(3) When a highway use of special fuel is not deducted from the claim, the applicant shall substantiate purchases of special fuel and miles traveled for licensed motor vehicles upon request of the department of transportation.

(4) Any person who operates a licensed motor vehicle on and off the public roads for commercial purposes may claim refund of the state license tax on the

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special fuel used to operate the vehicle on roads or property in private ownership if the person has maintained the following records:

(a) the total number of miles traveled on and off public roads by each licensed vehicle;

(b) the total number of gallons of special fuel used in each vehicle; and

(c) purchase invoices supporting all special fuel handled through bulk storage.

(5) The United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state is not required to keep dispersal records in order to claim a refund of special fuel taxes.

~~(5)~~*(6)* An exporter or any other person who transports special fuel out of Montana for sale, use, or consumption outside Montana shall maintain detailed and current records of withdrawal, transportation, ownership, and delivery of the special fuel to destinations outside Montana as required by the department."

Section 17. Section 15-70-364, MCA, is amended to read:

"15-70-364. *(Effective January 1, 1994)* **Application for refund or credit — filing — correction by department.** (1) The application for a refund must be a signed statement on a form furnished by the department ~~of transportation~~. Except for a claim for a credit for taxes paid on unpaid accounts *or taxes paid by the United States government, the state of Montana, any other state, or any county, incorporated city, town, or school district of this state,* the form must be accompanied by the original bulk delivery invoice or invoices issued to the claimant at the time of each purchase and delivery and must show the total amount of special fuel purchased, the total amount of special fuel on which a refund is claimed, and the amount of the tax claimed for refund. A claim for a credit for taxes paid on accounts for which the distributor did not receive compensation must be accompanied by documents or copies of documents showing that the accounts were worthless and claimed as bad debts on the distributor's federal income tax return. Any further information pertaining to a claim must be furnished as required by the department.

(2) A bulk delivery invoice issued by a dealer for a sale that does not qualify as a bulk delivery, as defined in 15-70-301, is not valid for refund purposes.

(3) All applications for refunds must be filed with the department within 14 months after the date on which the special fuel was purchased as shown by invoices or after the date on which the tax was erroneously paid. A distributor may file a claim for refund of taxes erroneously paid or for a credit for taxes paid by the distributor on unpaid accounts within 3 years after the date of payment.

(4) If the department finds that the statement contains errors that are not fraudulently inserted, it may correct the statement and approve it as corrected or the department may require the claimant to file an amended statement."

Section 18. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations — definition — requisites for validity. (1) A statutory appropriation is an appropriation made by per-

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manent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; *15-70-101;* 16-1-404; 16-1-410; 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-101; 17-6-201; 17-6-409; 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513; 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-6-406; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503; 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504; 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416; 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-2-707; 90-3-301; 90-4-215; 90-6-331; 90-7-220; 90-9-306; and 90-14-107.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. *(In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates July 1, 1995.)"*

Section 19. Section 61-12-206, MCA, is amended to read:

"61-12-206. Offenses for which arrest authorized. (1) Employees appointed under 61-12-201 may make arrests for violations of the following statutory provisions only:

(a) part 1, chapter 10, of this title;

(b) part 3, chapter 4, of this title;

(c) sections 15-24-201 through 15-24-205;

(d) ~~sections 15-70-302 through 15-70-307;~~

~~(e) sections 15-70-311 through 15-70-314~~ *Title 15, chapter 70, parts 2 and 3;*

~~(f)~~*(e)* sections 15-71-101 through 15-71-105;

~~(g)~~*(f)* section 61-3-502(1);

~~(h)~~*(g)* sections 61-10-201, 61-10-203, 61-10-206, 61-10-209, and 61-10-211 through 61-10-215;

~~(i)~~*(h)* sections 61-10-222 through 61-10-224;

~~(j)~~*(i)* sections 61-10-231 through 61-10-233.

(2) These employees may not arrest for violations other than specified in this section."

Section 20. **Repealer.** Sections 15-70-309 and 15-70-315, MCA, are repealed.

Section 21. **Effective dates — retroactive applicability.** (1) [Sections 1, 18, and 22 and this section] are effective on passage and approval.

(2) [Sections 2 through 17, 19, and 20] are effective January 1, 1994.

Section 22. **Retroactive applicability.** [Sections 1 and 18] apply retroactively, within the meaning of 1-2-109, to July 1, 1993.

Approved December 20, 1993.

CHAPTER NO. 11

[HB 43]

AN ACT EXPANDING THE CONDITIONS UNDER WHICH A STATE AGENCY MAY PURCHASE OFFICE SUPPLIES DIRECTLY FROM A SUPPLIER; AND AMENDING SECTION 18-4-302, MCA.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 18-4-302, MCA, is amended to read:

"**18-4-302. Methods of source selection.** (1) Unless otherwise authorized by law, all state contracts for supplies and services must be awarded by competitive sealed bidding, pursuant to 18-4-303, except as provided in 18-4-133, 18-4-304 through 18-4-306, chapters 5 and 8 of this title, and subsections (2) and (3) *of this section.* Supplies or services offered for sale, lease, or rental by public utilities are exempt from this requirement if the prices of the supplies or services are regulated by the public service commission or other governmental authority.

(2) At the time *that* the department or a purchasing agency opens bids or proposals, if a supplier's current publicly advertised or established catalog price is received at or before the time *that* the bids or proposals are opened and is less than the bid of the lowest responsible and responsive bidder or offeror or improves upon the conditions for the best proposal received using the same factors and weights included in the proposal, the department or purchasing

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agency may reject all bids and purchase the supply from that supplier without meeting the requirements of 18-4-303 through 18-4-306.

(3) An office supply procured by the department's central stores program through bulk purchase or procured under a term contract may be purchased by a purchasing agency, without meeting the requirements of 18-4-303 through 18-4-306, from a supplier whose publicly advertised ~~or~~ *price*, established catalog price, *or discount price offered to the purchasing agency* is less than the price offered by the central stores program or under the term contract ~~and~~ *if the office supply* conforms in all material respects to the terms, conditions, and quality offered by the central stores program or under the term contract. A state office supply term contract must include a provision by which the contracting parties acknowledge and agree to the provisions of this subsection."

Approved December 20, 1993.

CHAPTER NO. 12

[HB 7]

AN ACT REVISING THE DEFINITIONS OF TERMINOLOGY USED IN STATE BUDGETING; REQUIRING THAT THE EXECUTIVE BUDGET AND THE BUDGET ANALYSIS OF THE LEGISLATIVE FISCAL ANALYST BE BASED ON THE LEVEL OF FUNDING TO MAINTAIN OPERATIONS AND SERVICES AUTHORIZED BY THE PREVIOUS LEGISLATURE; AMENDING SECTIONS 5-12-303 AND 17-7-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 5-12-303, MCA, is amended to read:

"**5-12-303. Fiscal analysis information from state agencies.** (1) The legislative fiscal analyst ~~has the authority to~~ *may* investigate and examine the costs and revenues of state government activities and may examine and obtain copies of the records, books, and files of any state agency, including confidential records.

(2) When confidential records and information are obtained from a state agency, the legislative fiscal analyst and staff must be subject to the same penalties for unauthorized disclosure of the confidential records and information provided for under the laws administered by the state agency. The legislative fiscal analyst shall develop policies to prevent the unauthorized disclosure of confidential records and information obtained from state agencies.

(3) The legislative fiscal analyst may not obtain copies of individual income tax records protected under 15-30-303. The department of revenue shall make individual income tax data available by removing names, addresses, occupations, social security numbers, and taxpayer identification numbers. The department of revenue may not alter the data in any other way. The data is subject to the same restrictions on disclosure as are individual income tax returns.

(4) The budget director shall furnish the legislative fiscal analyst with copies of all budget requests, *in a format agreed upon by both the office of budget*

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and program planning and the legislative fiscal analyst, at the time of submission to the budget director as provided by law and, if requested, all underlying and supporting documentation. *In preparing the executive budget for the next biennium for submission to the legislature, the budget director shall use the base budget, the present law base, and new proposals as defined in 17-7-102.*

(5) In the year preceding each legislative session, the budget director shall furnish the legislative fiscal analyst, on a confidential basis *and in a format agreed upon by both the office of budget and program planning and the legislative fiscal analyst:*

(a) by ~~December 1,~~ *October 10, a preliminary budget reflecting the base budget and, by November 1, a present law base for each agency and* a copy of the documents that reflect the anticipated receipts and other means of financing the *base* budget *and present law base* for each fiscal year of the ensuing biennium;

(b) by ~~December 1~~ *November 15,* a preliminary budget that must meet the statutory requirements for submission of the budget to the legislature;

(c) by ~~December 3~~ *November 12,* a paper copy and an electronic copy of the documents that reflect expenditures to the second level, as provided in 17-1-102(3), by funding source and detailed by accounting entity; and

(d) by December 15, all amendments to the preliminary budget.

(6) Within 1 day after the legislative finance committee presents its budget analysis to the legislature, the budget director and the legislative fiscal analyst shall exchange expenditure and disbursement recommendations by second-level expenditure detail and by funding sources detailed by accounting entity. This information must be filed in the respective offices and be made available to the legislature and the public. *In preparing the budget analysis for the next biennium for submission to the legislature, the legislative fiscal analyst shall use the base budget, the present law base, and new proposals as defined in 17-7-102.*

(7) This section does not authorize publication or public disclosure of information if the law prohibits publication or disclosure."

Section 2. Section 17-7-102, MCA, is amended to read:

"17-7-102. Definitions. As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means each state office, department, division, board, commission, council, committee, institution, university unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government, except for purposes of capital projects administered by the department of administration, for which institutions are treated as one department and university units as one system.

(3) "Approved long-range building program budget amendment" means approval by the budget director of a request submitted through the architecture

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and engineering division of the department of administration to transfer excess funds appropriated to a capital project within an agency to increase the appropriation of another capital project within that agency or to obtain financing to expand a project with funds that were not available for consideration by the legislature.

(4) "Approving authority" means:

(a) the governor or ~~his~~ *the governor's* designated representative for executive branch agencies;

(b) the chief justice of the supreme court or ~~his~~ *the chief justice's* designated representative for judicial branch agencies;

(c) the speaker for the house of representatives;

(d) the president for the senate;

(e) appropriate legislative committees or a designated representative for legislative branch agencies; or

(f) the board of regents of higher education or its designated representative for the university system.

(5) "Base budget" means that level of funding authorized by the previous legislature.

~~(5)~~*(6)* "Budget amendment" means a legislative appropriation to increase spending authority for the special revenue fund, proprietary funds, or unrestricted subfund, contingent on total compliance with all budget amendment procedures.

~~(6) "Current funding level" means that level of funding required to maintain operations and services at the level authorized by the previous legislature, after adjustment for inflation.~~

(7) "Present law base" means that additional level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

(a) changes resulting from legally manadated workload, caseload, or enrollment increases or decreases;

(b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;

(c) inflationary or deflationary adjustments; and

(d) elimination of nonrecurring appropriations.

~~(7)~~*(8)* "Effectiveness measure" means a criterion for measuring the degree to which the objective sought is attained.

~~(8)~~*(9)* "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects

one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

~~(9) "Modified funding level" means the current funding level as adjusted to reflect workload increases, the provision of new services, or changes in authorized funding.~~

(10) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

(11) "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

~~(11)~~*(12)* "Priority listing" means a ranking of proposed expenditures in order of importance.

~~(12)~~*(13)* "Program" means a combination of resources and activities designed to achieve an objective or objectives.

~~(13)~~*(14)* "Program size" means the magnitude of a program, such as the size of clientele served; *or* the volume of service in relation to the population or area; ~~etc.~~

~~(14)~~*(15)* "Program size indicator" means a measure to indicate the magnitude of a program.

~~(15)~~*(16)* "Requesting agency" means the agency of state government that has requested a specific budget amendment.

~~(16)~~*(17)* "University system unit" means the board of regents of higher education, office of the commissioner of higher education, university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, the bureau of mines and geology with central offices at Butte, the fire services training school at Great Falls, the vocational-technical centers at Billings, Butte, Great Falls, Helena, and Missoula, or the community colleges at Miles City, Glendive, and Kalispell."

Section 3. **Code commissioner instruction.** Wherever the term "current funding level" or a phrase meaning "current funding level" appears in Title 17, chapter 7, the code commissioner shall change the term or phrase to "base budget" and make the necessary grammatical changes to reflect the change in terminology. Wherever the term "modified funding level" or a phrase meaning "modified funding level" appears in Title 17, chapter 7, the code commissioner shall change the term or phrase to "present law base plus new proposals" and make necessary grammatical changes to reflect the change in terminology.

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Section 4. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

CHAPTER NO. 13

[HB 30]

AN ACT PROVIDING THAT AGENCY BUDGET SUBMISSIONS INCLUDE A REFERENCE SPECIFYING WHETHER AN AGENCY PROGRAM IS DISCRETIONARY OR MANDATED BY FEDERAL OR STATE LAW; AMENDING SECTIONS 17-7-111 AND 17-7-123, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 17-7-111, MCA, is amended to read:

"17-7-111. Agency program budgets — form distribution and contents. (1) In the preparation of a state budget, the budget director shall, not later than July 1 in the year preceding the convening of the legislature, distribute to all state offices and departments, including the judicial branch and the legislative branch, the proper forms necessary for the preparation of budget estimates. These forms must be prescribed by the budget director to procure the information required by subsection (2).

(2) The agency budget requests, when completed by the budget office, must set forth a balanced financial plan for the agency completing the forms for each fiscal year of the ensuing biennium. The plan must consist of:

(a) a consolidated agency budget summary for current level expenditures and for each modification request setting forth the aggregate figures of the full-time equivalent personnel positions (FTE) and the budget, showing a balance between the total proposed disbursements and the total anticipated receipts, together with the other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the corresponding figures for the last completed fiscal year and the fiscal year in progress. The consolidated budget summary must be supported by schedules classifying receipts and disbursements contained in the summary by fund and, when applicable, organizational unit.

(b) a schedule of the actual and projected receipts, disbursements, and solvency of each accounting entity within each fund for the current and subsequent biennium;

(c) a detailed schedule of receipts, by accounting entity within each fund, indicating classification and source of funds;

(d) an agency schedule summarizing past and proposed spending plans and the means of financing the proposed plan. Information presented must include the following:

(i) a statement of agency goals and objectives and a statement of goals and objectives for each program of the agency. The goals and objectives must include,

in a concise form, sufficient specific information and quantifiable information to enable the legislature to formulate an appropriations policy regarding the agency and its programs and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals and objectives. The goals and objectives must contain a list of duties prioritized by the department director to reflect the director's opinion concerning the importance of the duties assigned to the agency by law. ~~Any discretionary programs established by the agency that are not required by law must also be enumerated.~~

(ii) actual FTE and disbursements for the completed fiscal year of the current biennium, estimated FTE and disbursements for the current fiscal year, and the agency's request for the ensuing biennium, by program; and

(iii) actual disbursements for the completed fiscal year of the current biennium, estimated disbursements for the current fiscal year, and the agency's recommendations for the ensuing biennium, by disbursement category; ~~and~~

(e) *a reference, for each program included in the agency budget request, identifying whether the program may be operated at the discretion of the agency or whether the agency is required by federal or state law to operate, administer, or manage the program.*

(f) other information the budget director feels is necessary for the preparation of a budget.

(3) The budget director shall prepare and submit to the legislative fiscal analyst in accordance with 17-7-112:

(a) detailed recommendations for the state long-range building program. Each recommendation must be presented by department, institution, agency, or branch by funding source, with a description of each proposed project; and

(b) the proposed pay plan schedule for all executive branch employees, with the specific cost and funding recommendations for each agency. Submission of a pay plan schedule under this subsection is not an unfair labor practice under 39-31-401.

(4) The board of regents shall submit, with its budget request for each university unit in accordance with 17-7-112, a report on the university system bonded indebtedness and related finances as provided in this subsection (4). The report must include the following information for each year of the biennium, contrasted with the same information for the last completed fiscal year and the fiscal year in progress:

(a) a schedule of estimated total bonded indebtedness for each university unit by bond indenture;

(b) a schedule of estimated revenue, expenditures, and fund balances by fiscal year for each outstanding bond indenture, clearly delineating the accounts relating to each indenture and the minimum legal funding requirements for each bond indenture; and

(c) a schedule showing the total funds available from each bond indenture and its associated accounts, with a list of commitments and planned expendi-

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tures from such accounts, itemized by revenue source and project for each year of the current and ensuing bienniums.

(5) The budget director may not obtain copies of individual income tax records protected under 15-30-303. The department of revenue shall make individual income tax data available by removing names, addresses, occupations, social security numbers, and taxpayer identification numbers. The department of revenue may not alter the data in any other way. The data is subject to the same restrictions on disclosure as are individual income tax returns."

Section 2. Section 17-7-123, MCA, is amended to read:

"17-7-123. Form of executive budget. The budget submitted must set forth a balanced financial plan for the state government for each fiscal year of the ensuing biennium, which plan must consist of:

(1) a consolidated budget summary setting forth the aggregate figures of the budget in a manner that shows a balance between the total proposed disbursements and the total anticipated receipts, together with the other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the corresponding figures for the last completed fiscal year and the fiscal year in progress. The consolidated budget summary must be supported by explanatory schedules or statements, classifying receipts and disbursements contained therein by fund and, when applicable, organizational unit;

(2) an analysis of the actual and projected receipts, disbursements, and solvency of each accounting entity within each fund for the current and subsequent biennium;

(3) a detailed analysis of receipts by accounting entity within fund indicating classification and source of funds;

(4) a departmental analysis summarizing past and proposed spending plans by agency and the means of financing the proposed plan. Information presented must include the following:

(a) a summary of departmental goals and objectives and a statement of goals and objectives for each program of the department;

(b) actual disbursements for the completed fiscal year of the current biennium, estimated disbursements for the current fiscal year, and the current funding level and the modified funding level, if any, for each department and each program of the department; ~~and~~

(c) *a reference for each program as required under 17-7-111(2)(e); and*

(d) a statement containing recommendations of the governor for the ensuing biennium by program and disbursement category and other matters considered necessary; and

(5) detailed recommendations for the state long-range building program. Each recommendation must be presented by department, institution, agency, or branch by funding source, with a description of each proposed project. An appropriation measure must be presented by project, source of funding, and

department, agency, institution, or branch for which the project is primarily intended."

Section 3. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

CHAPTER NO. 14

[HB 34]

AN ACT GENERALLY REVISING THE LAWS RELATING TO THE MONTANA MEDICAID PROGRAM; REQUIRING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO SUBMIT ESTIMATES OF MEDICAID EXPENDITURES TO THE LEGISLATIVE FINANCE COMMITTEE; REVISING ELIGIBILITY AND THE MEDICAL SERVICES THAT MAY BE COVERED; AMENDING SECTIONS 53-6-101 AND 53-6-131, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. **Submission of estimate to legislative finance committee.** Whenever the department of social and rehabilitation services establishes an estimate of medicaid expenditures for medicaid services, the department shall submit the estimate to the legislative finance committee. The legislative finance committee shall consider the estimate at its next regularly scheduled meeting.

Section 2. Section 53-6-101, MCA, is amended to read:

"53-6-101. *(Temporary)* **Montana medicaid program — authorization of services.** (1) There is a Montana medicaid program established for the purpose of providing necessary medical services to eligible persons who have need for medical assistance. The Montana medicaid program is a joint federal-state program administered under this chapter and in accordance with Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended. The department of social and rehabilitation services shall administer the Montana medicaid program.

(2) Medical assistance provided by the Montana medicaid program includes the following services:

(a) inpatient hospital services;

(b) outpatient hospital services;

(c) other laboratory and x-ray services, including minimum mammography examination as defined in 33-22-132;

(d) skilled nursing services in long-term care facilities;

(e) physicians' services;

(f) nurse specialist services;

(g) early and periodic screening, diagnosis, and treatment services for persons under 21 years of age;

(h) ambulatory prenatal care for pregnant women during a presumptive eligibility period, as provided in 42 U.S.C. 1396a(a)(47) and 42 U.S.C. 1396r-1;

(i) targeted case management services, as authorized in 42 U.S.C. 1396n(g), for high-risk pregnant women;

(j) services *that are* provided by physician assistants-certified within the scope of their practice and that are otherwise directly reimbursed as allowed under department rule to an existing provider;

(k) health services provided under a physician's orders by a public health department; and

(l) federally qualified health center services, as defined in 42 U.S.C. 1396d(l)(2).

(3) Medical assistance provided by the Montana medicaid program may, as provided by department rule, also include the following services:

(a) medical care or any other type of remedial care recognized under state law, furnished by licensed practitioners within the scope of their practice as defined by state law;

(b) home health care services;

(c) private-duty nursing services;

(d) dental services;

(e) physical therapy services;

(f) mental health center services administered and funded under a state mental health program authorized under Title 53, chapter 21, part 2;

(g) clinical social worker services;

(h) prescribed drugs, dentures, and prosthetic devices;

(i) prescribed eyeglasses;

(j) other diagnostic, screening, preventive, rehabilitative, chiropractic, and osteopathic services;

(k) inpatient psychiatric hospital services for persons under 21 years of age;

(l) services of professional counselors licensed under Title 37, chapter 23;

(m) hospice care, as defined in 42 U.S.C. 1396d(o);

(n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted case management services for the mentally ill ~~but limited to services provided in crisis intervention programs~~;

(o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C. 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with 50-5-201; and

(p) any additional medical service or aid allowable under or provided by the federal Social Security Act.

(4) Services for persons qualifying for medicaid under the medically needy category of assistance as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to others qualifying for assistance under the Montana medicaid program. The department is not required to provide all of the services listed in subsections (2) and (3) to persons qualifying for medicaid under the medically needy category of assistance.

~~(4)~~*(5)* The department may implement, as provided for in Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, a program under medicaid for payment of medicare premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

~~(5)~~*(6)* The department may set rates for medical and other services provided to recipients of medicaid and may enter into contracts for delivery of services to individual recipients or groups of recipients.

~~(6)~~*(7)* The services provided under this part may be only those that are medically necessary and that are the most efficient and cost-effective.

~~(7)~~*(8)* The amount, scope, and duration of services provided under this part must be determined by the department in accordance with Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended.

~~(8)~~*(9)* Services, procedures, and items of an experimental or cosmetic nature may not be provided.

~~(9)~~*(10)* If available funds are not sufficient to provide medical assistance for all eligible persons, the department may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of the medical services made available under the Montana medicaid program.

~~(10)~~*(11)* Community-based medicaid services, as provided for in part 4 of this chapter, must be provided in accordance with the provisions of this chapter and the rules adopted ~~thereunder~~ *under this chapter.*

53-6-101. *(Effective July 1, 1994)* **Montana medicaid program — authorization of services.** (1) There is a Montana medicaid program established for the purpose of providing necessary medical services to eligible persons who have need for medical assistance. The Montana medicaid program is a joint federal-state program administered under this chapter and in accordance with Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended. The department of social and rehabilitation services shall administer the Montana medicaid program.

(2) Medical assistance provided by the Montana medicaid program includes the following services:

(a) inpatient hospital services;

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(b) outpatient hospital services;

(c) other laboratory and x-ray services, including minimum mammography examination as defined in 33-22-132;

(d) skilled nursing services in long-term care facilities;

(e) physicians' services;

(f) nurse specialist services;

(g) early and periodic screening, diagnosis, and treatment services for persons under 21 years of age;

(h) ambulatory prenatal care for pregnant women during a presumptive eligibility period, as provided in 42 U.S.C. 1396a(a)(47) and 42 U.S.C. 1396r-1;

(i) targeted case management services, as authorized in 42 U.S.C. 1396n(g), for high-risk pregnant women;

(j) services *that are* provided by physician assistants-certified within the scope of their practice and that are otherwise directly reimbursed as allowed under department rule to an existing provider;

(k) health services provided under a physician's orders by a public health department; and

(l) federally qualified health center services, as defined in 42 U.S.C. 1396d(l)(2).

(3) Medical assistance provided by the Montana medicaid program may, as provided by department rule, also include the following services:

(a) medical care or any other type of remedial care recognized under state law, furnished by licensed practitioners within the scope of their practice as defined by state law;

(b) home health care services;

(c) private-duty nursing services;

(d) dental services;

(e) physical therapy services;

(f) mental health center services administered and funded under a state mental health program authorized under Title 53, chapter 21, part 2;

(g) clinical social worker services;

(h) prescribed drugs, dentures, and prosthetic devices;

(i) prescribed eyeglasses;

(j) other diagnostic, screening, preventive, rehabilitative, chiropractic, and osteopathic services;

(k) inpatient psychiatric hospital services for persons under 21 years of age;

(l) services of professional counselors licensed under Title 37, chapter 23;

(m) hospice care, as defined in 42 U.S.C. 1396d(o);

(n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted case management services for the mentally ill ~~but limited to services provided in crisis intervention programs~~;

(o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C. 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with 50-5-201; and

(p) any additional medical service or aid allowable under or provided by the federal Social Security Act.

(4) Services for persons qualifying for medicaid under the medically needy category of assistance as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to others qualifying for assistance under the Montana medicaid program. The department is not required to provide all of the services listed in subsections (2) and (3) to persons qualifying for medicaid under the medically needy category of assistance.

~~(4)~~*(5)* The department may implement, as provided for in Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, a program under medicaid for payment of medicare premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

~~(5)~~*(6)* The department may set rates for medical and other services provided to recipients of medicaid and may enter into contracts for delivery of services to individual recipients or groups of recipients.

~~(6)~~*(7)* The services provided under this part may be only those that are medically necessary and that are the most efficient and cost-effective.

~~(7)~~*(8)* The amount, scope, and duration of services provided under this part must be determined by the department in accordance with Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended.

~~(8)~~*(9)* Services, procedures, and items of an experimental or cosmetic nature may not be provided.

~~(9)~~*(10)* If available funds are not sufficient to provide medical assistance for all eligible persons, the department may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of the medical services made available under the Montana medicaid program.

~~(10)~~*(11)* Community-based medicaid services, as provided for in part 4 of this chapter, must be provided in accordance with the provisions of this chapter and the rules adopted ~~thereunder~~ *under this chapter.*

~~(11)~~*(12)* Medicaid payment for personal-care facilities may not be made unless the department certifies to the director of the governor's office of budget and program planning that payment to this type of provider would, in the aggregate, be a cost-effective alternative to services otherwise provided."

Section 3. Section 53-6-131, MCA, is amended to read:

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"**53-6-131. Eligibility requirements.** (1) Medical assistance under the Montana medicaid program may be granted to a person who is determined by the department of social and rehabilitation services, *in its discretion,* to be eligible as follows:

(a) The person receives or is considered to be receiving supplemental security income benefits under Title XVI of the federal Social Security Act (42 U.S.C. 1381, et seq.) or aid to families with dependent children under Title IV of the federal Social Security Act (42 U.S.C. 601, et seq.).

(b) The person would be eligible for assistance under a program described in subsection (1)(a) if that person were to apply for ~~such~~ *that* assistance.

(c) The person is in a medical facility that is a medicaid provider and, but for residence in the facility, the person would be receiving assistance under one of the programs in subsection (1)(a).

(d) The person is under 19 years of age and meets the conditions of eligibility in the state plan for aid to families with dependent children, other than with respect to school attendance.

(e) The person is under 21 years of age and in foster care under the supervision of the state or was in foster care under the supervision of the state and has been adopted as a hard-to-place child.

(f) The person meets the nonfinancial criteria of the categories in subsections (1)(a) through (1)(e) and:

(i) the person's income does not exceed the ~~medically needy~~ income level specified for federally aided categories of assistance and the person's resources are within the resource standards of the federal supplemental security income program; or

(ii) the person, while having income greater than the medically needy income level specified for federally aided categories of assistance:

(A) has an adjusted income level, after incurring medical expenses, that does not exceed the medically needy income level specified for federally aided categories of assistance or, alternatively, has paid in cash to the department the amount by which the person's income exceeds the medically needy income level specified for federally aided categories of assistance; and

(B) has resources that are within the resource standards of the federal supplemental security income program.

(g) The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n).

(2) The department may establish income and resource limitations. Limitations of income and resources must be within the amounts permitted by federal law for the medicaid program.

~~(2)~~*(3)* The Montana medicaid program shall pay ~~for~~, *as required by federal law,* the premiums necessary for ~~participation~~ *medicaid-eligible persons participating* in the medicare program and may, within the discretion of the

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department, pay all or a portion of the medicare *premiums*, deductibles, and coinsurance for a *qualified* medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2) of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

(a) has income that does not exceed income standards as may be required by the federal Social Security Act; and

(b) has resources that do not exceed standards the department determines reasonable for purposes of the program.

~~(3)~~*(4)* The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

~~(4)~~*(5)* The department, under the Montana medicaid program, may provide, if a waiver is not available from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social Security Act (42 U.S.C. 1396, et seq.), as may be amended, and not specifically listed in this part to categories of persons that may be designated by the act for receipt of assistance.

~~(5)~~*(6)* Notwithstanding any other provision of this chapter, medical assistance must be provided to infants and pregnant women whose family income does not exceed 133% of the federal poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i), and whose family resources do not exceed standards that the department determines reasonable for purposes of the program.

~~(6)~~*(7)* A person described in subsection ~~(5)~~ *(6)* must be provided continuous eligibility for medical assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7)."

Section 4. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

CHAPTER NO. 15

[HB 36]

AN ACT REQUIRING A PERSON TO APPEAR BEFORE THE COUNTY TAX APPEAL BOARD, UNLESS THE REQUIREMENT TO APPEAR IS WAIVED BY THE BOARD, BEFORE AN APPEAL MAY BE MADE TO THE STATE TAX APPEAL BOARD; AMENDING SECTIONS 15-2-301, 15-15-103, AND 15-15-104, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 15-2-301, MCA, is amended to read:

"**15-2-301. Appeal of county tax appeal board decisions.** (1) The county tax appeal board shall mail a copy of its decision to the taxpayer and to the property assessment division of the department of revenue. ~~Any~~ *If the appearance provisions of 15-15-103 have been complied with, a* person or the

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department on behalf of the state or any municipal corporation aggrieved by the action of the county tax appeal board may appeal to the state board by filing with the state tax appeal board a notice of appeal within 30 calendar days after the receipt of the decision of the county board. The notice must specify the action complained of and the reasons assigned for the complaint. Notice of acceptance of an appeal must be given to the county tax appeal board by the state tax appeal board. The state board shall set the appeal for hearing either in its office in the capital or the county seat as the board considers advisable to facilitate the performance of its duties or to accommodate parties in interest. The board shall give to the appellant and to the respondent at least 15 calendar days' notice of the time and place of the hearing.

(2) At the time of giving notice of acceptance of an appeal, the state board may require the county board to certify to it the minutes of the proceedings resulting in the action and all testimony taken in connection with its proceedings. The state board may, in its discretion, determine the appeal on the record if all parties receive a copy of the transcript and are permitted to submit additional sworn statements, or the state board may hear further testimony. For the purpose of expediting its work, the state board may refer any appeal to one of its members or to a designated hearing officer. The board member or hearing officer may exercise all the powers of the board in conducting a hearing and shall, as soon as possible after the hearing, report the proceedings, together with a transcript or a tape recording of the hearing, to the board. The state board shall determine the appeal on the record.

(3) On all hearings at county seats throughout the state, the state board or the member or hearing officer designated to conduct a hearing may employ the local court reporter or other competent stenographer to take and transcribe the testimony received. The cost of taking and transcribing testimony may be paid out of the general appropriation for the board.

(4) In connection with any appeal under this section, the state board is not bound by common law and statutory rules of evidence or rules of discovery and may affirm, reverse, or modify any decision. To the extent this section is in conflict with the Montana Administrative Procedure Act, this section supersedes that act. The state tax appeal board may not amend or repeal any administrative rule of the department. The state tax appeal board shall give an administrative rule full effect unless the board finds a rule arbitrary, capricious, or otherwise unlawful.

(5) The decision of the state tax appeal board is final and binding upon all interested parties unless reversed or modified by judicial review. Proceedings for judicial review of a decision of the state tax appeal board under this section are subject to the provisions of 15-2-303 and the Montana Administrative Procedure Act to the extent that it does not conflict with 15-2-303."

Section 2. Section 15-15-103, MCA, is amended to read:

"15-15-103. Examination of applicant — failure to hear application. (1) Before the county tax appeal board grants any application or makes any reduction applied for, it ~~must~~ *shall* examine on oath the person or agent making the application, touching the value of the property of each person. ~~No~~ *A* reduction ~~must~~ *may not* be made unless ~~such~~ *the* person or agent makes an application, as provided in 15-15-102, and attends ~~and answers all questions pertinent to~~

~~the inquiry~~ *the county tax appeal board hearing. An appeal of the board's decision may not be made to the state tax appeal board unless the person or the person's agent has exhausted the remedies available through the county tax appeal board. In order to exhaust the remedies, the person or the person's agent shall attend the county tax appeal board hearing. On written request by the person or the person's agent and on the written concurrence of the department of revenue, the county tax appeal board may waive the requirement that the person or the person's agent attend the hearing.* The testimony of all witnesses ~~upon such~~ *at the* hearing must be taken in shorthand, ~~or~~ *taken* by stenotype, or electronically recorded and preserved for 1 year. If the decision of the county tax appeal board is appealed, all testimony must be transcribed or otherwise reduced to writing and forwarded, together with all exhibits, to the state tax appeal board. The date of *the* hearing, the proceedings before the board, and the decision must be entered upon the minutes of the board, and the board shall notify the applicant of its decision by mail within 3 days ~~thereafter~~. A copy of the minutes of the county tax appeal board must be transmitted to the state tax appeal board no later than 3 days after the board holds its final hearing of the year.

(2) If a county tax appeal board refuses or fails to hear a taxpayer's timely application for a reduction in valuation of property, the taxpayer's application is considered to be granted on the day following the board's final meeting for that year. The county treasurer shall enter the appraisal or classification sought in the application in the assessment book. An application is not automatically granted for the following appeals:

(a) those listed in 15-2-302; and

(b) if a taxpayer's appeal from the department's determination of classification or appraisal made pursuant to 15-7-102 was not received in time, as provided for in 15-15-102, to be considered by the board during its current 60-day session."

Section 3. Section 15-15-104, MCA, is amended to read:

"15-15-104. Appeal to state tax appeal board. ~~Any~~ *If the appearance provisions of 15-15-103 have been complied with, a* person or the department of revenue ~~in~~ *on* behalf of the state or any municipal corporation aggrieved by the action of any county tax appeal board may appeal to the state board under 15-2-301."

Section 4. **Applicability.** [This act] applies to all property tax appeals on or after January 1, 1994.

Section 5. **Effective date.** [This act] is effective January 1, 1994.

Approved December 23, 1993.

CHAPTER NO. 16

[HB 40]

AN ACT ELIMINATING STATUTORY REFERENCES TO THE DIVISION OF HEALTH AND ENVIRONMENTAL SCIENCES WITHIN THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES; AMENDING SEC-

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TIONS 2-15-2105 AND 75-10-621, MCA; REPEALING SECTION 2-15-2103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 2-15-2105, MCA, is amended to read:

"2-15-2105. Water and wastewater operators' advisory council. (1) There is a water and wastewater operators' advisory council.

(2) The council consists of seven members. Except as provided in subsection (2)(e) ~~of this section~~, the members ~~shall~~ *must* be appointed by the governor. The members are:

(a) two members who are employed water supply system or water treatment plant operators holding valid certificates. One of these members ~~shall~~ *must* hold a certificate by examination of the highest class issued by the department of health and environmental sciences. There is no restriction on the classification of the certificate held by the other operator.

(b) two members who are employed wastewater treatment plant operators holding valid certificates. One of these members ~~shall~~ *must* hold a certificate by examination of the highest class issued by the department of health and environmental sciences. There is no restriction on the classification of the certificate held by the other operator.

(c) one member serving on the faculty of a university or college whose major field is related to water supply systems, wastewater treatment, chemical or civil engineering, chemistry, or bacteriology;

(d) one member who is a representative of a municipality required to employ a certified operator and who holds a position of ~~either~~ city manager, city engineer, director of public works, works manager, or ~~their~~ *an* equivalent *position*;

(e) ~~the administrator of the division of environmental sciences of the department of health and environmental sciences or~~ a qualified member of ~~his~~ *the* staff *of the department of health and environmental sciences*, appointed by the ~~administrator~~ *department's director*.

(3) Members, except the ex officio voting member from the department of health and environmental sciences, shall serve for a term of 6 years."

Section 2. Section 75-10-621, MCA, is amended to read:

"75-10-621. Hazardous waste/CERCLA special revenue account. (1) There is a hazardous waste/CERCLA special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the hazardous waste/CERCLA account:

(a) ~~revenues~~ *revenue* obtained from the interest income of the resource indemnity trust fund under the provisions of 15-38-202, together with interest accruing on ~~those revenues~~ *that revenue*;

(b) all proceeds of bonds or notes issued under 75-10-623 and all interest earned on proceeds ~~thereof~~ *of the bonds or notes*; and

(c) ~~revenues~~ *revenue* from penalties or damages collected under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended in 1986 (CERCLA).

(3) Appropriations may be made from the hazardous waste/CERCLA account only for the following purposes and subject to the following conditions:

(a) funds are statutorily appropriated, as provided in 17-7-502(4), to the CERCLA match debt service account necessary to make principal, interest, and premium payments due on CERCLA bonds;

(b) not more than one-half of the interest income received for any biennium from the resource indemnity trust fund may be appropriated on a biennial basis for:

(i) implementation of the Montana Hazardous Waste Act, including regulation of underground storage tanks and the state share to obtain matching federal funds;

(ii) implementation of Title 75, chapter 10, part 6, pertaining to state assistance to and cooperation with the federal government for remedial action under CERCLA;

(iii) expenses of the ~~administration of the environmental sciences division of the~~ department in administering and overseeing the implementation of Title 75, chapter 10, parts 4 and 6; and

(iv) state expenses relating to investigation and remedial action for any hazardous substance defined in 75-10-602; and

(c) to the extent funds are available after the appropriations in subsections (3)(a) and (3)(b), the department may, as appropriate, seek authorization from the legislature or, when the legislature is not in session, through the budget amendment process provided for in Title 17, chapter 7, part 4, to spend funds for:

(i) state participation in remedial action under section 104 of CERCLA;

(ii) state costs for maintenance of sites at which remedial action under CERCLA has been completed; and

(iii) the state share to obtain matching federal funds for underground storage tank corrective action.

(4) For the purposes of subsection (3)(c), the legislature finds that a need for state special revenue to obtain matching federal funds for underground storage tank corrective action or for remedial action under section 104 of CERCLA constitutes a serious unforeseen and unanticipated circumstance for the purpose of meeting the definition of "emergency" in 17-7-102. The legislature further finds that the inability of the department to match ~~such~~ *the* federal funds as ~~may~~ *the funds* become available would seriously impair the functions of the department in carrying out its responsibilities under Title 75, chapter 10, parts 4 and 6.

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(5) There is no dollar limit to the hazardous waste/CERCLA account. Unused balances remain in the account until ~~such time as~~ appropriated by the legislature for the purposes specified in this section."

Section 3. **Repealer.** Section 2-15-2103, MCA, is repealed.

Section 4. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

CHAPTER NO. 17

[HB 68]

AN ACT REMOVING STATE RESTRICTIONS ON LOANS TO DIRECTORS OF BANKS; AMENDING SECTION 32-1-467, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 32-1-467, MCA, is amended to read:

"**32-1-467. Loans to managing officer ~~or director~~.** (1) A bank may extend credit to a managing officer ~~or director~~ of the bank:

(a) in any amount to finance the education of the managing officer's ~~or director's~~ children;

(b) in any amount to finance the purchase, construction, maintenance, or improvement of a residence of the managing officer ~~or director~~ if the extension of credit is secured by a first lien on the residence and the residence is:

(i) owned by the managing officer ~~or director~~; or

(ii) expected to be owned by the managing officer ~~or director~~ after the extension of credit; and

(c) for any other purpose not specified in subsections (1)(a) and (1)(b) if the aggregate amount of loans to that individual under this subsection (1) does not exceed at any one time the greater of 2.5% of the bank's capital and unimpaired surplus or $25,000. However, in no event may the aggregate amount of loans to the individual exceed $100,000.

(2) The department may adopt rules to address loans made before October 1, 1993, and to define capital and unimpaired surplus for purposes of 32-1-465 and this section."

Section 2. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

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CHAPTER NO. 18

[SB 5]

AN ACT INCREASING THE LICENSE FEE FOR LOBBYISTS; PROVIDING FOR WAIVER OF THE FEE; AMENDING SECTION 5-7-103, MCA; AND PROVIDING EFFECTIVE DATES.

STATEMENT OF INTENT

A statement of legislative intent is necessary for this bill because 5-7-103 authorizes the commissioner of political practices to adopt rules implementing the waiver provisions of subsection (1) of that section.

The legislature intends that rules adopted by the commissioner specify the procedures to be used by a lobbyist when applying for a hardship waiver and the standards to be used by the commissioner in determining whether a hardship exists. The commissioner may specify categories of licenses or lobbyists for which hardship waivers will be granted.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 5-7-103, MCA, is amended to read:

"**5-7-103. Licenses — fees — eligibility — *waiver*.** (1) Any adult of good moral character who is otherwise qualified under this chapter may be licensed as a lobbyist. The commissioner shall provide a license application form. The application form may be obtained *from and must be filed* in the office of the commissioner ~~and filed therein~~. Upon approval of the application and receipt of the license fee ~~of $10~~ by the commissioner, a license ~~shall~~ *must* be issued ~~which~~ *that* entitles the licensee to practice lobbying on behalf of one or more enumerated principals. *The license fee is $50 for each lobbyist.* Each license ~~shall expire~~ *expires* on December 31 of each even-numbered year or may be terminated at the request of the lobbyist. *A lobbyist who believes that payment of the license fee may constitute a hardship may apply to the commissioner for a waiver of the fee required by this section. The commissioner may waive the license fee upon proof by the lobbyist that payment of the fee constitutes a hardship.*

(2) (a) Except as provided in subsection (2)(b), an application may not be disapproved without affording the applicant a hearing. The hearing must be held and the decision entered within 10 days of the date of the filing of the application.

(b) An application may not be approved if a principal has failed to file reports required under 5-7-208.

(3) The fines and license fees collected under this chapter ~~shall~~ *must* be deposited in the state treasury.

(4) The commissioner may adopt rules to implement the waiver provisions of subsection (1)."

Section 2. **Effective dates.** (1) [Section 1(4) and this section] are effective on passage and approval.

(2) [Section 1(1) through (3)] is effective January 1, 1994.

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Approved December 23, 1993.

CHAPTER NO. 19

[SB 23]

AN ACT PROVIDING THAT THE YEARLY CLOTHING ALLOWANCE FOR FOSTER CHILDREN MAY NOT EXCEED AN APPROPRIATION FOR THAT PURPOSE; AMENDING SECTION 41-3-1103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 41-3-1103, MCA, is amended to read:

"**41-3-1103. Powers and duties of department.** (1) The department shall:

(a) administer all state and federal funds allocated to the department for youth foster homes, youth group homes, and child-care agencies for youth in need of care, youth in need of supervision, and delinquent youth, as defined in 41-5-103;

(b) exercise licensing authority over all youth foster homes, youth group homes, and child-care agencies;

(c) collect and disseminate information relating to youth in need of care, youth in need of supervision, and delinquent youth;

(d) provide for training of program personnel delivering services;

(e) in cooperation with youth care facility providers, develop and implement standards for youth care facilities;

(f) maintain adequate data on placements it funds in order to keep the legislature properly informed of the following:

(i) the breakdown of youth in need of care, youth in need of supervision, and delinquent youth by category in out-of-home care facilities;

(ii) the cost per facility for services rendered;

(iii) the type and level of care of services provided by each facility;

(iv) a profile of out-of-home care placements by level of care; and

(v) a profile of public institutional placements; and

(g) administer all funds allocated to the department for residential alcohol and drug abuse treatment for indigent youths in need of care, indigent youths in need of supervision, and indigent delinquent youths who require ~~such~~ treatment.

(2) The department may:

(a) enter into contracts with nonprofit corporations or associations or private organizations to provide substitute care for youth in need of care, youth in need of supervision, and delinquent youth in youth care facilities;

(b) accept gifts, grants, and donations of money and property from public and private sources to initiate and maintain community-based services to youth;

(c) adopt rules to carry out the administration and purposes of this part.

(3) The department shall pay for room, board, clothing, personal needs, transportation, and treatment in youth foster care homes and youth group homes for youths committed to the department who need to be placed in ~~such~~ *the* facilities. Payments for the clothing of a child placed in a youth foster home must be provided to the extent the child needs a basic wardrobe or has a special clothing need. ~~However, payments for clothing~~ *Payments under this subsection* may not exceed ~~$300 a year per child~~ *appropriations for the purposes of this subsection.*"

Section 2. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

CHAPTER NO. 20

[SB 28]

AN ACT REQUIRING THE LEGISLATIVE AUDITOR TO ESTABLISH A TOLL-FREE NUMBER FOR THE REPORTING OF WASTE, FRAUD, AND ABUSE IN STATE GOVERNMENT; PROVIDING FOR THE REVIEW, VERIFICATION, AND REFERRAL OF INFORMATION RECEIVED THROUGH THE TOLL-FREE NUMBER; PROVIDING FOR CORRECTIVE ACTION; PROVIDING THAT ANY MONEY RECOVERED BE DEPOSITED IN THE GENERAL FUND; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. **Legislative auditor to establish and maintain toll-free number for reporting fraud, waste, and abuse — procedures.** (1) The legislative auditor shall establish and maintain a toll-free telephone number for use by Montana residents for the reporting of fraud, waste, and abuse in state government. The legislative auditor shall review all telephone calls received at the toll-free number and shall maintain a record of each call. The legislative auditor shall:

(a) analyze and verify the information received from each telephone call; or

(b) refer the information for appropriate action to the agency that is or appears to be the subject of the call.

(2) A state agency that receives information referred to it by the legislative auditor pursuant to this section shall take adequate and appropriate action to investigate and remedy any fraud, waste, or abuse discovered as a result of the referral. The agency shall report in writing to the legislative auditor concerning

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the results of its investigation and those measures taken to correct any fraud, waste, or abuse discovered as a result of the referral.

(3) Information received at the toll-free number is confidential until the time that the legislative auditor or other appropriate agency determines the validity of the information and takes corrective action. After the legislative auditor or other appropriate agency takes action to verify the fraud, waste, or abuse complained of and takes any corrective action, information concerning the subject of the complaint and the remedy, if any, is public information unless precluded by law.

(4) The legislative auditor shall, as directed by the legislative audit committee, periodically report to the committee on:

(a) the use of the toll-free number;

(b) the results of the reviews, verifications, and referrals; and

(c) any corrective actions taken by the appropriate agencies.

(5) Information received at the toll-free number concerning a governmental entity other than state government may be referred by the legislative auditor to an appropriate federal, state, or local government agency.

(6) If the legislative auditor determines that as a result of a review and verification or referral pursuant to this section, a waste of state resources has occurred, the legislative auditor shall report the matter in writing to the legislative fiscal analyst.

(7) The legislative auditor shall advertise the existence and purpose of the toll-free number in an appropriate manner.

Section 2. **Deposit of money recovered.** Unless otherwise provided by law, money recovered as a result of an action taken pursuant to [section 1] must be deposited in the state general fund.

Section 3. **Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 4. **Codification instruction.** [Sections 1 and 2] are intended to be codified as an integral part of Title 5, chapter 13, and the provisions of Title 5, chapter 13, apply to [sections 1 and 2].

Section 5. **Effective date.** [This act] is effective July 1, 1994.

Section 6. **Termination.** [This act] terminates July 1, 1995.

Approved December 22, 1993.

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CHAPTER NO. 21

[SB 29]

AN ACT REVISING THE LOCAL CITIZEN REVIEW BOARD PILOT PROGRAM; CLARIFYING THE DUTIES OF THE SUPREME COURT ADMINISTRATOR TO OVERSEE THE PROGRAM AND PREPARE REQUIRED REPORTS; AMENDING SECTION 41-3-1004, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 41-3-1004, MCA, is amended to read:

"41-3-1004. Administration — training — *oversight* — procedures. (1) Subject to the availability of funds, the youth court of a judicial district designated pursuant to 41-3-1002 shall:

(a) establish and approve policies and procedures that have the force of law for the operation of the local citizen review board;

(b) approve and provide training programs for local citizen review board members;

(c) provide consultation services on request to the local citizen review board; and

(d) employ staff and provide for support services for the local citizen review board.

(2) The ~~youth court of a judicial district designated pursuant to 41-3-1002~~ *office of the supreme court administrator* shall, ~~at the time prescribed by 5-11-210~~ *in accordance with the direction of the supreme court, oversee the program established in this part and, at the time prescribed by 5-11-210,* prepare a report to the governor, the legislature, and the public regarding:

(a) state laws, policies, and practices affecting permanence and appropriate care for children in the custody of the department of family services and other agencies; and

(b) the effectiveness of the local citizen review board in bringing about permanence and appropriate care for children in the custody of the department of family services and other agencies.

(3) The youth court of a judicial district designated pursuant to 41-3-1002 shall adopt procedures that have the force of law for the administration of the local citizen review board pilot program regarding:

(a) the removal of members of the local citizen review board;

(b) the time, content, and manner in which case plans for and case progress reports on a child assigned to foster care must be provided to the local citizen review board by the department of family services, other agencies, or individuals directly responsible for the care of the child;

(c) the provision of written notice of the review to the department of family services, any other agency directly responsible for the care or placement of a

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child, the parents or their attorneys, foster parents, surrogate parents, mature children or their attorneys, a court-appointed attorney or special advocate of any child, any county attorney or attorney general actively involved in the case, and other interested persons. The notice must include a statement that persons receiving a notice may participate in the hearing and be accompanied by a representative.

(d) securing or excusing the presence at the review of caseworkers and other employees of the department of family services or other agencies directly responsible for the care of the child; and

(e) the manner in which the local citizen review board may remove cases from review when review is not required under federal law."

Section 2. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

CHAPTER NO. 22

[SB 31]

AN ACT GENERALLY REVISING THE LAWS GOVERNING LEGISLATIVE PUBLICATIONS; ELIMINATING THE REQUIREMENT THAT LEGISLATIVE JOURNALS BE PUBLISHED AND DISTRIBUTED IN A PRINTED FORMAT; REVISING THE CONTENT OF ANCILLARY PUBLICATIONS; REVISING THE DISTRIBUTION OF SESSION LAWS; AMENDING SECTIONS 1-11-303, 5-11-201, 5-11-202, AND 5-11-203, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 1-11-303, MCA, is amended to read:

"**1-11-303. Authority to issue ancillary publications.** The legislative council may issue ~~such~~ supplementary and ancillary publications as it considers necessary or desirable in aid of the general use and purposes of the Montana Code Annotated and the supplements or replacements ~~thereto~~ *to the Montana Code Annotated. The legislative council shall publish a legislative review containing a summary of enactments of each session of the legislature. The legislative council shall publish a history and final status of all bills and resolutions of each session of the legislature that contains corrected voting records for bills and resolutions.*"

Section 2. Section 5-11-201, MCA, is amended to read:

"**5-11-201. Journals — how authenticated — *filing*.** The journal of the senate must be authenticated by the signature of the president and the journal of the house of representatives by the signature of the speaker. *Each authenticated journal must be filed with the secretary of state. A copy of each authenticated journal must be filed with the legislative council.*"

Section 3. Section 5-11-202, MCA, is amended to read:

"5-11-202. Printing of ~~the house and senate journals and~~ session laws. The legislative council shall deliver to the *appropriate* printer ~~entitled to them~~, at the earliest practicable day after the final adjournment of each session of the legislature, copies of all laws~~,~~ *and* resolutions~~, and journals~~ passed~~,~~ *or* adopted~~, or kept at~~ *during* the session~~, with proper indexes to the same~~. *The session laws must be delivered to the appropriate printer in the form provided for in 5-11-205 and 5-11-206.*"

Section 4. Section 5-11-203, MCA, is amended to read:

"5-11-203. Distribution of ~~senate and house journals and~~ session laws — *inspection of journals.* (1) Immediately after ~~the senate and house journals and~~ the session laws are ~~bound~~ *published*, the legislative council shall distribute them.

(2) The council shall ~~distribute~~ *make* the house and senate journals ~~as follows:~~

~~(a) to each county clerk, one copy of each for the use of the county;~~

~~(b) to the Montana state library, 20 copies of each for the use of the library and distribution to depository libraries, of which two copies will be deposited with the state historical library for security purposes;~~

~~(c) to the state law librarian, two copies of each for the use of the library and such additional copies as may be necessary for the purposes of exchange;~~

~~(d) to the library of congress and each public officer as defined in 2-2-102, two copies of each; and~~

~~(e) to each member of the legislature, the secretary of the senate, and the chief clerk of the house of representatives from the session at which the journals were adopted, one copy of each~~ *available for inspection or copying by the public as provided in Title 2, chapter 6, part 1. The council may publish the journals in an electronic format.*

(3) The ~~council shall distribute the session laws as follows~~ *following entities may receive the number of copies of session laws listed at no cost:*

~~(a) to each cabinet level department of the executive branch of the United States, one copy each; to any agency, commission, conference, or corporation established by the United States government or any other subdivision thereof upon request and approval by the legislative council, one copy;~~

~~(b)~~*(a)* to the library of congress, eight copies;

~~(c)~~*(b)* to the state library, two copies;

~~(d)~~*(c)* to the state historical library, two copies;

~~(e)~~*(d)* to the state law librarian, four copies for the use of the library and ~~such~~ additional copies as may be required for exchange with libraries and institutions maintained by other states and territories and public libraries;

~~(f)~~*(e)* to the library of each custodial institution, one copy;

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~~(g)~~*(f)* to each Montana member of congress, each United States district judge in Montana, each of the judges of the state supreme and district courts, and each of the state officers as defined in 2-2-102(8), one copy;

~~(h)~~*(g)* to any agency, board, commission, or office of the state, other than a state officer, and to any other subdivision of the state upon request and approval by the legislative council, one copy;

~~(i)~~*(h)* to each member of the legislature, the secretary of the senate, and the chief clerk of the house of representatives from the session at which the laws were adopted, one copy;

~~(j)~~*(i)* to each of the community college districts of the state, as defined in 20-15-101, and each unit of the Montana university system, one copy;

~~(k)~~*(j)* to each county clerk, ~~three copies~~ *one copy* for the use of the county; and

~~(l)~~*(k)* to each county attorney and to each clerk of a district court, one copy."

Section 5. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

CHAPTER NO. 23

[SB 32]

AN ACT PROVIDING FINANCIAL INCENTIVES TO STATE AGENCIES AND EMPLOYEES, EXCEPT DIRECTORS AND LEGISLATORS, AND TO NONEMPLOYEES WHO SAVE COSTS IN AND IMPROVE THE EFFECTIVENESS OF STATE GOVERNMENT; AMENDING SECTIONS 2-15-112, 2-18-1101, 2-18-1102, 2-18-1103, 2-18-1105, 2-18-1106, AND 17-7-304, MCA; REPEALING SECTION 2-18-1104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AN APPLICABILITY DATE, AND A TERMINATION DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 2-18-1101, MCA, is amended to read:

"2-18-1101. Definitions. As used in this part, the following definitions apply:

(1) "Agency head" means a director, commissioner, or constitutional officer in charge of an executive, legislative, or judicial branch agency or an agency of the Montana university system. *The term includes the president or other person in charge of a unit of the Montana university system.*

(2) "Department" means the department of administration provided for in 2-15-1001.

(3) "Employee" means an employee of the executive, legislative, or judicial branch or the Montana university system.

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(4) "Group or team of employees" means a group, team, or work unit of employees working cooperatively."

Section 2. Section 2-18-1102, MCA, is amended to read:

"2-18-1102. Creation of program. The department shall develop and administer a statewide employee incentive award program to appropriately recognize and monetarily reward *individual* state employees ~~in a timely manner~~ *and groups or teams of employees* for ~~suggestions or inventions~~ *documented achievements and outcomes* that contribute to the efficiency, economy, or other improvement of state government by reducing the costs *or improving the effectiveness* of governmental operations."

Section 3. Section 2-18-1103, MCA, is amended to read:

"2-18-1103. Powers and duties of ~~the~~ department. The department shall:

(1) adopt rules to ~~equitably administer the employee incentive award program~~ *implement this part*;

(2) provide an opportunity for all employees to participate in the program;

(3) assist agencies in making incentive awards under ~~the program~~ *this part*; *and*

(4) ~~grant or deny incentive awards in consultation with the incentive awards advisory council and determine the amount of each incentive award based on first-year monetary savings;~~

~~(5) hear appeals from employees on the operation of the program;~~

~~(6)~~ prepare and submit, ~~as a part of the information required by 17-7-111~~ *in the manner provided in 5-11-210*, a list of incentive awards and the corresponding savings to the state ~~resulting from each employee's suggestion or invention~~ *and improvements in the effectiveness of state government* and ~~providing~~ *shall provide* a general review of and recommendations for improving the ~~program~~ *operation of this part*~~; and~~

~~(7) send a copy of all suggestions or inventions submitted under this program to the office of the legislative fiscal analyst.~~"

Section 4. Section 2-18-1105, MCA, is amended to read:

"2-18-1105. Eligibility for award. (1) Except as provided in subsection (2), an employee, *a group or team of employees, or a nonemployee* ~~may be~~ *is* eligible for an incentive award ~~if his suggestion or invention results in~~:

(a) *for efforts that significantly contribute to documented achievements or outcomes* eliminating or reducing an agency's expenditures; or

(b) *for improving the effectiveness of state government or* improving services to the public by permitting more work to be accomplished within an agency without increasing the cost of governmental operations.

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(2) (a) An employee ~~may~~ *or nonemployee is* not ~~be~~ eligible for an *individual* incentive award ~~if his suggestion or invention directly relates to his assigned duties and responsibilities unless the proposal is so superior or meritorious as to warrant special recognition as determined by the department.~~

~~(b) Suggestions or inventions relating to the following matters may not be considered for awards:~~

~~(i) personnel grievances;~~

~~(ii) classification and pay of positions;~~

~~(iii) matters recommended for study or review; and~~

~~(iv) proposals resulting from assigned or contracted audits, studies, surveys, reviews, or research~~ *unless the employee's or nonemployee's documented achievement or outcome was accomplished without significant contributions from others.*

(b) A director, as defined in 2-15-102, or a legislator is not eligible for the incentive award provided for under this part.

(3) Suggestions relating to an agency are eligible for an award from that agency's agency head even if the employee or group or team of employees, or one or more members of the group or team, do not work for that agency."

Section 5. Section 2-18-1106, MCA, is amended to read:

"2-18-1106. Agency head to grant award — amount and source of award. (1) ~~After an agency implements an employee's suggestion or invention and the monetary savings to the state is estimated, an~~ *An* agency head~~, upon written application to and approval from the department and the incentive awards advisory council,~~ may grant an incentive award to an employee ~~whose proposal meets the requirements~~, *a group or team of employees, or a nonemployee who has made a significant contribution to achievements or outcomes in the agency, as* enumerated in 2-18-1105. *An employee or a member of a group or team of employees need not be employed by the agency that benefits from the achievement or outcome and whose agency head grants the award in order to be granted an award.*

(2) The incentive award ~~shall be 10% of the savings resulting from implementing~~ *for an achievement or outcome that does not result in cost savings that can be specifically determined a year after the achievement or outcome is implemented and the cost savings are actually incurred is the agency head's estimated dollar value of* the ~~employee's proposal for 1 year~~ *achievement or outcome,* up to a maximum of ~~$3,000~~ *$500 per employee or nonemployee or, in the discretion of the agency head, not more than 40 hours of paid leave time for an employee.* Larger awards may be proposed and submitted to the legislature for consideration.

(3) The amount of an award for an achievement or outcome producing cost savings that can be measured after the savings are actually incurred must be determined by the agency head but may not exceed:

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(a) 10% of the first $100,000 of cost savings actually incurred during the 12 months following implementation of the suggestion; plus

(b) 5% of the next $100,000 of cost savings actually incurred during that 12-month period; plus

(c) 2% of the next $100,000 of cost savings actually incurred during that 12-month period.

(4) (a) If the award is to be divided between two or more persons, the agency head shall determine the amount each person is to receive.

(b) Each person must be paid in one lump sum no later than 90 days after the end of the 12-month period following implementation of the suggestion. However, an agency head may pay an award at any time that savings can be determined.

~~(3)~~ The agency head shall pay the ~~employee~~ *award* from the agency's budget ~~in a single, lump-sum award~~. This award is in addition to the recipient's regular compensation *or leave time.*

(5) The number of awards granted by an agency in a state government fiscal year may not exceed the number equal to 20% of the average number of full-time equivalent employees in that agency during that fiscal year. The office of budget and program planning may grant an agency with less that 50 full-time equivalent employees an exemption from this limitation, but the exemption may not allow more awards than the number equal to 50% of the average number of full-time equivalent employees in the agency during the fiscal year.

(6) Within 30 days after the end of each fiscal year, each agency shall submit to the department a list of the number of incentive awards granted, to whom each award was granted, the estimated value of each achievement or outcome, and the amount of each award."

Section 6. **Salary increase based on elimination of position.** An agency head, as defined in 2-18-1101, may, with the approval of the approving authority, as defined in 17-7-102, increase the salary for one or more positions in the agency by the amount of the salary for a position that was permanently eliminated by the agency within the last 30 days. However, an increased salary may not exceed the market salary for that position determined under Title 2, chapter 18, part 3. If an eliminated position's salary is redistributed under this section, the agency may not be given an increased appropriation in regard to the eliminated position under 2-15-112(2)(e). An increase for an employee who is in a collective bargaining unit is a negotiable subject under 39-31-305.

Section 7. Section 2-15-112, MCA, is amended to read:

"2-15-112. Duties and powers of department heads. (1) Except as otherwise provided by law, each department head shall:

(a) supervise, direct, account for, organize, plan, administer, and execute the functions vested in the department by this chapter or other law;

(b) establish the policy to be followed by the department and employees;

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(c) compile and submit reports and budgets for the department as required by law or requested by the governor;

(d) provide the governor with any information that the governor requests at any time on the operation of the department;

(e) represent the department in communications with the governor;

(f) prescribe rules, consistent with law and rules established by the governor, for the administration of the department; the conduct of the employees; the distribution and performance of business; and the custody, use, and preservation of the records, documents, and property pertaining to department business. The lieutenant governor, secretary of state, attorney general, auditor, and superintendent of public instruction may prescribe their own rules for their departments or offices, and the governor may not prescribe rules for them. The rules described in this subsection are limited to statements concerning only the internal management of the agency and not affecting private rights or procedures available to the public. This section does not authorize the adoption of any rule as rules are defined in the Montana Administrative Procedure Act.

(g) subject to the approval of the governor, establish the internal organizational structure of the department and allocate the functions of the department to units to promote the economic and efficient administration and operation of the department. The internal structure of the department must be established in accordance with 2-15-104(2).

(h) subject to law, establish and make appointments to necessary subordinate positions and abolish unnecessary positions;

(i) maintain a central office in Helena for the department and maintain other facilities throughout the state as may be required for the effective and efficient operation of the department.

(2) Except as otherwise provided by law, each department head may:

(a) subject to law, transfer employees between positions, remove persons appointed to positions, and change the duties, titles, and compensation of employees within the department;

(b) delegate any of the functions vested in the department head to subordinate employees;

(c) apply for, accept, administer, and expend funds, grants, gifts, and loans from the federal government or any other source in administering the department's functions;

(d) enter into agreements with federal, state, and local agencies necessary to carry out the department's functions; and

(e) eliminate positions within the department. ~~The~~ *If the salary for an eliminated position is not redistributed as provided for under [section 6], the* office of budget and program planning shall increase the department's appropriation in the second year of the biennium by an amount equal to one-half of the savings resulting from the elimination of a position. The increased appropriation in the second year of the biennium may be expended at the

discretion of the department head, provided that the expenditure is consistent with the goals and objectives of the department. The remaining one-half must revert to the original funding source. This subsection (e) does not apply to an agency allocated to a department in either year of the 2 years of the biennium for administrative purposes, as provided in 2-15-121. Section 17-7-138 does not apply to this subsection (e)."

Section 8. Section 17-7-304, MCA, is amended to read:

"**17-7-304.** *(Temporary)* **Disposal of unexpended appropriations.** (1) All money appropriated for any specific purpose except that appropriated for the university system units listed in subsection (2) *and except as provided in subsection (4)* must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, the bureau of mines and geology with central offices in Butte, and the vocational-technical centers at Billings, Butte, Great Falls, Helena, and Missoula must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated.

(4) For the 2 years following the end of a fiscal year, 30% of the money appropriated to an agency for that year by the general appropriations act for personal services, operating expenses, and equipment and remaining unexpended and unencumbered at the end of the year may be spent for any purpose that is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may be carried forward and spent must be determined by the office of budget and program planning. (Terminates June 30, 1996—sec. 23, Ch. 787, L. 1991; sec. 5, Ch. 5, Sp. L. July 1992.)

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17-7-304. *(Effective July 1, 1996)* **Disposal of unexpended appropriations.** ~~All~~ *(1) Except as provided in subsection (2), all* money appropriated for any specific purpose must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made.

(2) For the 2 years following the end of a fiscal year, 30% of the money appropriated to an agency for that year by the general appropriations act for personal services, operating expenses, and equipment and remaining unexpended and unencumbered at the end of the year may be spent for any purpose that is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may be carried forward and spent must be determined by the office of budget and program planning."

Section 9. **Repealer.** Section 2-18-1104, MCA, is repealed.

Section 10. **Codification instruction.** [Section 6] is intended to be codified as an integral part of Title 2, chapter 18, and the provisions of Title 2, chapter 18, apply to [section 6].

Section 11. **Applicability.** [Sections 1 through 5] apply to achievements and outcomes occurring after [the effective date of this act].

Section 12. **Effective date.** [This act] is effective on passage and approval.

Section 13. **Termination.** [This act] terminates July 1, 1997.

Approved December 23, 1993.

CHAPTER NO. 24

[SB 51]

AN ACT REVISING THE STATE EMPLOYEE PROTECTION ACT; AMENDING SECTION 2-18-1203, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, under Mead v. McKittrick, 223 Mont. 428, 727 P.2d 517 (1986), it appears that the judicial branch of state government is immune from the provisions of the State Employee Protection Act; and

WHEREAS, the reasoning of the court in Mead v. McKittrick, that "public policy is best served when newly-elected officials are free to select their own key staff members", should apply equally to the several positions, exempt from state classification statutes, of certain elected officials as it does to newly elected judges; and

WHEREAS, the state personnel classification system does not apply to a number of other exempt positions, thereby complicating the ability to determine whether or not a person meets the minimum qualifications for a position.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 2-18-1203, MCA, is amended to read:

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"2-18-1203. *(Temporary)* **General protection — job register — seniority preference.** (1) An employee whose position is eliminated as a result of privatization, reorganization of an agency, or closure of or a reduction in force at an agency is entitled to:

(a) notice of announcements for jobs for which the employee may qualify that arise within the terminating agency or within state government. Notices must be provided by the state for a period of 1 year from the date of separation.

(b) access to any job retraining and career development programs provided by the state through the Job Training Partnership Act service delivery areas dislocated worker programs, provided that the employee begins participating in a program within 1 year after the elimination of the employee's position; and

(c) inclusion in a special job register from which all agencies, *except an agency attempting to hire for a position exempt under 2-18-103 or 2-18-104,* shall attempt to hire employees prior to seeking applications from the general public. The employee must be listed in the job register according to the occupational categories in which the employee is qualified for employment.

(2) (a) An agency attempting to hire from the job register shall consider the employee's qualifications and length of state service. If two or more employees listed in the job register are equally qualified for a vacant position, the agency shall select the employee with the longest continuous state service.

(b) If there is not an employee listed on the job register who meets the job qualifications for the vacant position, the agency may hire a qualified external applicant or establish a training assignment, according to state policy. *(Terminates July 1, 1995—sec. 11, Ch. 477, L. 1993.)*"

Section 2. **Effective date.** [This act] is effective on passage and approval.

Approved December 23, 1993.

CHAPTER NO. 25

[SB 27]

AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 3, OF THE MONTANA CONSTITUTION TO ALLOW EQUALIZATION OF PROPERTY VALUES FOR PROPERTY TAX PURPOSES TO BE BASED ON CLASSIFICATION AND ON ACQUISITION VALUES AND TO LIMIT INCREASES IN VALUATION OF PROPERTY AS PROVIDED BY LAW.

Be it enacted by the Legislature of the State of Montana:

Section 1. Article VIII, section 3, of The Constitution of the State of Montanais amended to read:

"**Section 3. Property tax administration — *valuation limitations.*** *(1) (a)* ~~The~~ *Subject to the provisions of subsection (1)(b), the* state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.

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(b) Equalized valuation of residential and commercial property may be achieved through the classification of property and may be based on acquisition value.

(2) For property tax purposes, increases in the value of any class of property may be limited by law."

Section 2. **Submission to electorate.** This amendment shall be submitted to the qualified electors of Montana at the general election to be held in November 1994 by printing on the ballot the full title of this act and the following:

☐ FOR allowing property taxes to be based on acquisition value and allowing limits on annual increases in valuation of property.

☐ AGAINST allowing property taxes to be based on acquisition value and allowing limits on annual increases in valuation of property.

CHAPTER NO. 26

[HB 66]

AN ACT REVISING DRIVER'S LICENSE RENEWALS; REQUIRING THE DEPARTMENT OF JUSTICE TO NOTIFY A PERSON BY MAIL WHEN THE PERSON'S DRIVER'S LICENSE IS UP FOR RENEWAL; ALLOWING A PERSON TO RENEW A DRIVER'S LICENSE BY MAIL; AMENDING SECTION 61-5-111, MCA; AND PROVIDING AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 61-5-111, MCA, is amended to read:

"61-5-111. Renewals, expirations, and fees for licenses, permits, and endorsements. (1) The department may appoint county treasurers and other qualified officers to act as its agents for the sale of driver's licenses receipts and shall make necessary rules governing sales. In those areas where the department provides driver licensing services 3 days or more a week, the department is responsible for sale of receipts and may not appoint an agent. The department, upon receipt of payment of the fees specified in this section, shall issue a driver's license to every qualifying applicant. The license must contain a full-face photograph of the licensee in the size and form prescribed by the department, except as provided in subsection (4); a distinguishing number issued to the licensee; the full name, date of birth, residence address, and a brief description of the licensee; and either a facsimile of the signature of the licensee or a space upon which the licensee shall write the licensee's signature in pen and ink immediately upon receipt of the license. A license is not valid until it is signed by the licensee.

(2) (a) The department shall, when any person applies *in person* for renewal of a driver's license, test the applicant's eyesight and may also in the department's discretion have the applicant demonstrate the applicant's physical ability to operate and to exercise ordinary and reasonable care in the operation of a motor vehicle.

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(b) In the case of a commercial driver's license, the department may also require that the applicant successfully complete a written examination as required by federal regulations.

(c) A person is considered to have applied for renewal of a Montana driver's license if the application is made within 3 months of the expiration of the person's license.

(d) The department shall mail a driver's license renewal notice to a person no earlier than 60 days and no later than 30 days prior to the expiration date of the person's license.

(e) (i) A person may renew a driver's license by mail, without the tests provided for in subsection (2)(a), for a 4-year period, provided that the person:

(A) has not accumulated five or more points on the person's driving record for the 4 years immediately preceding the expiration date; and

(B) submits a sworn affidavit on a form prescribed by the department, attesting to the person's physical and mental ability to safely operate a motor vehicle.

(ii) The department may not renew a driver's license by mail for more than one renewal period. At the expiration of the mail renewal period, a person shall apply in person for a renewal.

(iii) A person who holds a probationary or restricted license may not renew the license by mail.

(3) A license expires on the anniversary of the date of birth of the licensee 4 years or less after the date of issue.

(4) A license issued to a person under the age of 21 years must contain a photograph of the licensee's profile.

(5) Whenever the department issues an original license to a person under the age of 18 years, the license must be designated and clearly marked as a "provisional license". Any license designated and marked as provisional may be suspended by the department for a period of not more than 12 months, when its records disclose that the licensee, subsequent to the issuance of the license, has been guilty of careless or negligent driving. Upon renewal the department may, for any reasonable cause as shown by its records, designate the renewal of the license as provisional; otherwise, a license in usual form must be issued subject to other provisions of the laws of Montana.

(6) It is unlawful for any person to have in the person's possession or under the person's control more than one Montana driver's license at any one time. A license is not valid for the operation of a motorcycle or quadricycle until the holder of the license has completed the requirements of 61-5-110 and the license has been clearly marked with the words "motorcycle endorsement". A license is not valid for the operation of a commercial vehicle until the holder of the license has completed the requirements of 61-5-110 and the license has been clearly marked with the words "commercial driver's license".

(7) Fees for driver's licenses are:

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(a) driver's license, except a commercial driver's license — $4 per year or fraction of a year;

(b) motorcycle endorsement — 50 cents per year or fraction of a year;

(c) commercial driver's license:

(i) interstate — $5 per year or fraction of a year;

(ii) intrastate — $3.50 per year or fraction of a year.

~~(8) A license designated as a chauffeur's license as of January 1, 1988, is valid as a commercial driver's license until the expiration of the license.~~

~~(9)~~*(8)* The holder of a chauffeur's license may convert the chauffeur's license to a commercial driver's license by paying the appropriate fee covering the remainder of the life of the license and complying with the requirements established by the department.

~~(10)~~*(9)* The holder of a valid chauffeur's license who is renewing and wishes to obtain a commercial driver's license may do so upon paying the appropriate fees and complying with the requirements established by the department.

(10) A person may not renew a driver's license by mail until the person has received a digital license issued by the department. As used in this subsection, the term "digital license" means a license having a computer-imaged photograph and signature."

Section 2. **Effective date.** [This act] is effective July 1, 1994.

Approved December 27, 1993.

CHAPTER NO. 27

[HB 50]

AN ACT RESTRUCTURING THE PROPERTY VALUATION AND ASSESSMENT FUNCTIONS OF THE DEPARTMENT OF REVENUE; GENERALLY REVISING PROPERTY TAX ASSESSMENT AND LEVY PROCEDURES TO CONFORM WITH PRACTICE AND ADVANCED TECHNOLOGY FOR ASSESSMENT, COMPUTATION, AND LEVY OF PROPERTY TAXES; MAKING THE DEPARTMENT OF REVENUE RESPONSIBLE FOR ASSESSMENT, COMPUTATION, AND LEVY OF CERTAIN TAXES; ELIMINATING THE STATUTORY DUTIES OF COUNTY ASSESSORS; ESTABLISHING A SPECIAL PROPERTY VALUATION IMPROVEMENT FUND; ASSESSING LIVESTOCK AS OF FEBRUARY 1; CLARIFYING THE ELIGIBILITY OF COUNTY ASSESSORS AND DEPUTY ASSESSORS FOR THE RETIREMENT INCENTIVE PROGRAM; REQUIRING THE DEPARTMENT OF REVENUE TO PAY RETIREMENT INCENTIVE COSTS FOR COUNTY ASSESSORS AND DEPUTY ASSESSORS; PERMITTING COUNTY ASSESSORS TO BECOME EMPLOYEES OF THE DEPARTMENT OF REVENUE; CREATING AN ADVISORY COMMITTEE ON THE VALUATION AND TAXATION OF MOTOR VEHICLES AND MOBILE HOMES; REDUCING THE FISCAL 1995 GENERAL FUND APPROPRIATION TO THE DEPARTMENT OF REVENUE; APPROPRIATING FUNDS FROM THE PROPERTY VALUA-

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TION IMPROVEMENT FUND TO THE DEPARTMENT OF REVENUE; AMENDING SECTIONS 2-6-110, 5-18-115, 7-3-1301, 7-3-1309, 7-3-4252, 7-4-2401, 7-4-2505, 7-4-3007, 7-6-4409, 7-6-4410, 7-6-4412, 7-6-4413, 7-8-2513, 7-12-4181, 7-12-4184, 7-13-233, 7-13-2304, 7-13-2306, 7-13-2527, 7-13-2528, 7-13-4309, 7-13-4507, 7-14-2735, 7-14-2738, 7-14-2739, 7-14-2740, 7-14-2742, 7-14-2743, 7-14-2744, 7-14-2745, 7-14-2755, 15-1-101, 15-1-111, 15-1-201, 15-1-202, 15-1-205, 15-1-303, 15-6-207, 15-7-102, 15-7-106, 15-7-107, 15-7-208, 15-7-209, 15-7-304, 15-7-308, 15-7-402, 15-7-403, 15-8-102, 15-8-104, 15-8-111, 15-8-112, 15-8-113, 15-8-115, 15-8-201, 15-8-202, 15-8-205, 15-8-301, 15-8-303, 15-8-304, 15-8-307, 15-8-402, 15-8-601, 15-8-701, 15-8-702, 15-8-704, 15-8-707, 15-8-709, 15-8-710, 15-9-101, 15-9-103, 15-10-202, 15-10-203, 15-10-205, 15-10-206, 15-10-305, 15-15-101, 15-15-102, 15-15-103, 15-16-101, 15-16-104, 15-16-105, 15-16-115, 15-16-117, 15-16-203, 15-16-302, 15-16-305, 15-16-402, 15-16-504, 15-16-611, 15-17-124, 15-17-317, 15-17-911, 15-18-412, 15-23-104, 15-23-106, 15-23-107, 15-23-115, 15-23-507, 15-23-607, 15-23-702, 15-23-703, 15-23-704, 15-23-803, 15-23-804, 15-24-104, 15-24-302, 15-24-801, 15-24-901, 15-24-902, 15-24-903, 15-24-904, 15-24-905, 15-24-906, 15-24-920, 15-24-921, 15-24-1402, 15-24-1501, 15-24-1802, 15-24-1902, 15-24-2002, 15-24-2302, 15-36-104, 15-37-203, 15-51-104, 15-59-104, 15-59-203, 19-3-908, 20-9-122, 50-61-112, 61-3-207, 61-3-303, 61-3-345, 61-3-503, 61-12-402, 70-23-304, 70-23-305, 76-2-102, 76-13-207, 76-15-518, 77-1-501, 77-1-503, 77-1-504, 77-2-313, 80-2-203, 80-2-204, 80-2-206, 80-2-207, 80-2-225, 81-2-302, 81-4-511, 81-4-513, 81-4-516, 81-7-303, 85-7-2136, 85-8-601, AND 85-9-603, MCA; AND SECTION 15, CHAPTER 623, LAWS OF 1993; REPEALING SECTIONS 7-2-2753, 7-6-2540, 15-1-403, 15-1-506, 15-7-213, 15-8-103, 15-8-105, 15-8-106, 15-8-114, 15-8-302, 15-8-705, 15-8-706, 15-9-102, 15-10-301, 15-10-302, 15-10-303, 15-10-304, 15-10-306, 15-10-307, 15-10-308, 15-16-111, 15-16-112, 15-16-113, 15-16-114, AND 15-30-228, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES.

STATEMENT OF INTENT

With the adoption of the 1972 Montana constitution, the state assumed responsibility for the appraisal, assessment, and valuation of property for property tax administration. Although the state was granted this new responsibility and authority by the constitution, county assessors were retained by local governments to assist the state in the assessment function, acting as agents of the department of revenue. Through the implementation and use of electronic data processing and other technological advances, many of the assessment functions previously performed by county assessors have changed dramatically.

Recognizing the need to make state and local government more responsive and efficient, it is the intent of the legislature that all appraisal and assessment duties relating to property taxation be assigned to the department of revenue. This action transfers from county assessors to the department the responsibility and authority to perform any assessment functions.

Acknowledging the talents and skills of county assessors, it is the intent of the legislature that current county assessors may choose to become employees of the department of revenue and that their respective counties may consolidate the office of county assessor with another county office.

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If the current county assessor does not choose to become a state employee and the county chooses to retain the separate office of county assessor, the department of revenue shall, with the consent of the county assessor, contract with the county for the county assessor to perform specific duties as assigned by the department. If under this agreement the county assessor produces satisfactory work quality and output for the department, the department may continue the contract as long as the person currently serving as county assessor retains the position. The department may also contract for any successor county assessor in counties that retain the separate office of county assessor to perform duties assigned by the department.

It is further the intent of the legislature that all present deputy county assessors become employees of the department of revenue, with the same preferences and benefits as other state employees.

To allow for the efficient administration of the property tax appraisal and assessment, it is the intent of the legislature that the department of revenue use other efficiency measures, such as creating regional county appraisal and assessment offices, adjusting office hours of department field offices, and restructuring the organizational structure of the property assessment division.

The legislature grants to the department of revenue general rulemaking authority for the accomplishment of these administrative changes.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 2-6-110, MCA, is amended to read:

"2-6-110. Electronic information — public access. (1) Except as provided by law, each person is entitled to a copy of information compiled, created, or otherwise in the custody of public agencies that is in electronic format, subject to the same restrictions applicable to the information in printed form. All restrictions relating to confidentiality, privacy, business secrets, and copyright are applicable to the electronic information.

(2) Except as provided by law *and subject to subsection (4)*, an agency may charge a fee, not to exceed:

(a) the agency's actual cost of purchasing the electronic media used for transferring data, if the person requesting the information does not provide the media; or

(b) expenses incurred by the agency as a result of mainframe processing charges or other out-of-pocket expenses directly associated with the request for information.

(3) An agency may also charge an hourly fee for each hour, or fraction of an hour, after one-half hour of copying service has been provided. The hourly fee may not exceed the hourly rate for the current fiscal year for a state employee classified as grade 10, market salary, under 2-18-312.

(4) In addition to the allowable fees in subsection (2), the department of revenue may charge an additional fee as reimbursement for the cost of developing and maintaining the computer-assisted mass appraisal system. The fee must be charged to persons requesting the data base or any part of the data base from the mass appraisal system. The department may not charge a fee for information

provided from this data base to a local taxing jurisdiction for use in taxation and other governmental functions or to an individual taxpayer concerning the taxpayer's property. All fees received by the department under this subsection must be deposited in a state special revenue fund as provided in [section 2].

~~(4)~~*(5)* For the purposes of this section, the term "agency" has the meaning provided in 2-3-102 but includes legislative, judicial, and state military agencies.

~~(5)~~*(6)* This section does not authorize the release of electronic security codes giving access to private information."

Section 2. **Property valuation improvement fund.** There is an account in the state special revenue fund to be used by the department for increasing the efficiency of the property appraisal, assessment, and taxation process through improvements in technology and administration. The department shall deposit fees collected pursuant to 2-6-110(4) in the account.

Section 3. Section 5-18-115, MCA, is amended to read:

"5-18-115. Report to revenue oversight committee. The department of revenue shall *at the request of the revenue oversight committee* report to the revenue oversight committee ~~at every revenue oversight committee meeting as to its~~ *on the department's* progress in completing the revaluation cycle."

Section 4. Section 7-3-1301, MCA, is amended to read:

"7-3-1301. Department of finance. (1) The director of finance ~~shall have~~ *has* charge of the administration of the financial affairs of the municipality, including the keeping and supervision of all accounts; the custody and disbursement of municipal funds and money; the making of special assessments ~~and the assessment of property for taxation~~; the issuance of licenses; the collection of license fees; the control over expenditures; the purchase, storage, and distribution of supplies needed by the municipality; and ~~such~~ other duties as the commission may by ordinance require.

(2) ~~He shall also have all~~ *The director of finance has all* powers and *shall* perform all duties imposed upon county clerk and recorders and auditors by general law.

(3) All of the provisions of the general laws of the state ~~in~~ *with* respect to budgets for cities and counties ~~shall~~ apply to ~~such~~ *the* municipality."

Section 5. Section 7-3-1309, MCA, is amended to read:

"7-3-1309. Division of assessment. (1) There ~~shall~~ *may* be in the department of finance a division of assessment, the head of which ~~shall~~ *may* be the assessor. The ~~assessor and his deputies shall have~~ *division of assessment has* the powers~~, qualify in the manner,~~ *of* and *shall* perform the duties prescribed for county assessors ~~and deputy assessors~~ by general law.

(2) The ~~assessor shall also be~~ *division of assessment is* in charge of the preparation of all special assessments for public improvements, the giving of notice of ~~such~~ *the* assessments to property owners and purchasers of property under contracts for deed, and the certification of all unpaid assessments to the director of finance."

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Section 6. Section 7-3-4252, MCA, is amended to read:

"**7-3-4252. Powers of council.** The council ~~shall have and possess~~ *has* and ~~the council and its members~~ shall exercise all executive, legislative, and judicial powers and duties ~~now had~~, possessed, and exercised by the mayor, city council, board of public works, park commissioners, board of police and fire commissioners, board of waterworks trustees, board of library trustees, attorney, ~~assessor,~~ treasurer, auditor, city engineer, and other executive and administrative offices in cities organized under the general municipal incorporation laws."

Section 7. Section 7-4-2401, MCA, is amended to read:

"**7-4-2401. Deputy officers.** (1) ~~Every~~ *Each* county and township officer, except *a* justice of the peace *and the county assessor*, may appoint as many deputies or assistants as may be necessary for the faithful and prompt discharge of the duties of ~~his~~ *the* office. All compensation or salary of any deputy or assistant ~~shall~~ *must* be as provided in this code.

(2) The appointment of deputies, clerks, and subordinate officers of counties, districts, and townships must be made in writing and filed in the office of the county clerk *and recorder*."

Section 8. Section 7-4-2505, MCA, is amended to read:

"**7-4-2505. Amount of compensation for deputies and assistants.** (1) Subject to subsection (2), the boards of county commissioners in the several counties in the state shall ~~have the power to~~ fix the compensation allowed any deputy or assistant of the following officers:

(a) clerk and recorder;

(b) clerk of the district court;

(c) treasurer;

~~(d) assessor;~~

~~(e)~~*(d)* county attorney;

~~(f)~~*(e)* auditor.

(2) (a) The salary of a deputy or an assistant listed in subsection (1), other than a deputy county attorney, may not be more than 90% of the salary of the officer under whom ~~such~~ *the* deputy or assistant is serving. The salary of a deputy county attorney, including longevity payments provided in 7-4-2503(3)(d), may not exceed the salary of the county attorney under whom ~~he~~ *the deputy* is serving.

(b) ~~Where any~~ *If a* deputy or assistant is employed for a period of less than 1 year, the compensation of ~~such~~ *the* deputy or assistant ~~shall~~ *must* be for the time ~~so~~ employed, provided the rate of ~~such~~ compensation ~~shall~~ *may* not be in excess of the rates ~~now~~ provided by law for similar deputies and assistants ~~except as provided herein~~.

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~~(c) Deputy assessors' salaries shall be the same as paid the deputy clerk and recorder.~~"

Section 9. Section 7-6-4409, MCA, is amended to read:

"**7-6-4409. Determination of assessments.** (1) The assessment made by the department of revenue ~~or its agent~~ for state and county purposes is the basis of taxation for cities and towns for the property situated ~~therein~~ *in the city or town.*

(2) It is the duty of the department ~~or its agent~~, in making the ~~assessment book~~ *property tax record, to separately and distinctly* designate ~~therein~~ the real and personal property~~, stating each separately and distinctly,~~ situated in cities and towns within each county in the state."

Section 10. Section 7-6-4410, MCA, is amended to read:

"**7-6-4410. ~~Assessment book~~ *Property tax record* to be furnished to certain municipalities.** ~~(1)~~ On or before the second Monday in July of each year, the department ~~or its agent must~~ *of revenue shall* furnish *a certified copy of the property tax record* to all cities of the third class and towns within each county ~~which shall~~ *that* make written request for the ~~same~~ *record* on or before the first Monday in April of each year. ~~a complete certified copy of the assessment book, so far as such assessment book pertains~~ *The property tax record must pertain* to property within the limits of ~~said~~ *the requesting* cities and towns.

~~(2) The department may charge such cities and towns 5 cents per folio of 100 words for each copy of the assessment book furnished such cities and towns as provided in subsection (1).~~"

Section 11. Section 7-6-4412, MCA, is amended to read:

"**7-6-4412. Preparation of municipal ~~assessment book~~ *property tax record.*** (1) ~~It is the duty of the~~ *The* county clerk, on or before the first Monday in October in each year, ~~to make a duplicate of the corrected assessment book for~~ *shall provide a copy of the property tax record to* each city in the county~~,~~ *if* the *city* treasurer ~~of which~~ is required by *an* ordinance of ~~such~~ *the* city to collect its taxes. ~~Such book shall be styled "The Duplicate Assessment Book for the City of ...." and must contain~~ *The record must be* a copy of the corrected ~~assessment book~~ *property tax record* of the county, as far as ~~the same~~ *it* refers to city property.

(2) ~~Such duplicate~~ *The copy* must be ~~made~~ in a ~~book furnished by the city clerk of each city in the county and ruled in columns specifying~~ *form that itemizes* the different funds~~,~~ so that the city treasurer may extend the ~~same~~ *funds* and collect the taxes.

~~(3) The county clerk must deliver such duplicate assessment book to each city treasurer and take his receipt therefor, having attached thereto the affidavit similar to the one set out in 15-10-306.~~"

Section 12. Section 7-6-4413, MCA, is amended to read:

"**7-6-4413. Collection of taxes.** (1) Except in *the* case of ~~such~~ cities of the first, second, and third classes ~~as may~~ *that* provide by ordinance for the city treasurer to collect the taxes from ~~such~~ *the* corrected ~~assessment book~~ *property*

tax record, the county treasurer of each county ~~must~~ *shall* collect the tax levied by all cities and towns in ~~his~~ *the* respective county.

(2) The county treasurer ~~must~~ *shall* collect ~~such~~ *the* city or town taxes, including unpaid road poll taxes, at the same time as the state and county taxes and with the same penalties and interest in case of delinquency."

Section 13. Section 7-8-2513, MCA, is amended to read:

"7-8-2513. Appraisal of land required — exception. (1) The county commissioners shall, before they sell, exchange, or lease lands under the provisions of this part, cause ~~such~~ *the* lands to be appraised by a qualified, independent person, who may be but is not required to be an ~~agent~~ *employee* of the department of revenue, to determine the value of ~~such~~ *the* lands for the purpose of ~~such~~ *the* sale, exchange, or lease.

(2) For the purposes of this section, a renewal of the lease ~~shall be~~ *is* considered an initial lease if the renewal is for a term exceeding 5 years.

(3) The board of county commissioners may lease mineral interests in land, whether ~~such~~ *the* interests are severed or not, without an appraisal as required by subsection (1)."

Section 14. Section 7-12-4181, MCA, is amended to read:

"7-12-4181. Collection of district assessments by county clerk — certification. (1) Except as provided in 7-12-4183, in ~~every~~ *each* city or town where taxes for general, municipal, and administrative purposes are certified to and collected by the county treasurer in accordance with the provisions of 7-6-4407 immediately after the second Monday of August of each year, it ~~shall be~~ *is* the duty of the city treasurer or town clerk to certify, at the same time *that* the copy of the resolution determining the annual levy for general taxes is certified by the city or town clerk to the county clerk as required by 7-6-4407, to the ~~county assessor of the county in which such city or town is situated~~ *department of revenue* all special assessments and taxes levied and assessed in accordance with any of the provisions of ~~this part and~~ part 42 *and this part.*

(2) The ~~county assessor~~ *department of revenue* shall ~~thereupon~~ enter ~~same~~ *the special assessments and taxes* upon the ~~assessment roll of~~ *property tax record for* the county. The county treasurer ~~must~~ *shall* collect all ~~such~~ taxes and assessments in the same manner and at the same time as ~~said~~ taxes for general, municipal, and administrative purposes are collected ~~by him~~."

Section 15. Section 7-12-4184, MCA, is amended to read:

"7-12-4184. Reinstatement of delinquent assessment. (1) Whenever any special assessment or installment is delinquent, is declared to be delinquent by appropriate resolution of the city or town council, and is certified to the county clerk and county treasurer for collection as ~~herein~~ provided *in this part*, the city or town council may, nevertheless, at its option, by appropriate resolution, order the delinquent assessment to be withdrawn from the county treasurer, canceled from ~~his~~ *the county treasurer's* records and proceedings, and reinstated in the office of the city treasurer and on the ~~assessment book thereof~~ *property tax record* upon the payment to the city treasurer of the assessment or the installment and interest up to date.

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(2) The certified copy of the resolution of the council with reference to ~~such~~ *the* payment, withdrawal, and reinstatement, filed with the county treasurer, is authority for the county treasurer to cancel and withdraw the delinquent special assessment or installment.

(3) The withdrawal and reinstatement may be made at any time before or after sale of the property for delinquent taxes and before a tax deed ~~therefor~~ is executed."

Section 16. Section 7-13-233, MCA, is amended to read:

"7-13-233. Procedure to collect service charge. (1) The service charge may be imposed for:

(a) any fiscal year for which the district establishes a budget or incurs costs related to planning or constructing a solid waste management facility; or

(b) services to begin within 12 months.

(2) The board shall certify to the county commissioners of the county served by the solid waste management district the service charge needed for the current fiscal year, the due but unpaid service charges, and a description of the property against which the service charges are to be levied.

(3) The department of revenue ~~or its agent~~ shall ensure that the amount of the service charge is placed on property tax notices and that the service charge is collected with property taxes.

(4) The board may establish a system for collecting service charges other than by tax notices to property owners issued by the department of revenue. The board may collect the service charge more often than property taxes are collected.

(5) If not paid, the service charge becomes delinquent and becomes a lien on the property, subject to the same penalties and the same rate of interest as property taxes."

Section 17. Section 7-13-2304, MCA, is amended to read:

"7-13-2304. Notice of intention to levy tax. (1) When the written estimate of the amount of money required has been delivered to the board of county commissioners, ~~said~~ *the* board shall give notice of its intention to levy and collect a tax sufficient for the payment ~~thereof~~ *of bond obligations and other expenses.*

(2) ~~Such~~ *The* notice ~~shall~~ *must* be given:

(a) by posting ~~notice thereof~~ in five public places within the county and within the boundaries of the lands upon which the tax is to be levied;

(b) by publishing a copy of the notice as provided in 7-1-2121; and

(c) by forwarding, by mail as provided in 7-1-2122 at least 10 days prior to the hearing provided for in 7-13-2306(4), a copy of the notice addressed to the owners and the purchasers under contracts for deed of taxable real property within the district as shown by the current ~~assessment book on file in the office~~

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~~of the assessor of~~ *property tax record maintained by the department of revenue for* the county or counties the boundaries of which include taxable real property of the district."

Section 18. Section 7-13-2306, MCA, is amended to read:

"7-13-2306. Contents of notice — hearing and protest. The notice required by 7-13-2304 ~~shall~~ *must* state:

(1) the amount of money required;

(2) the method of assessment ~~which~~ *that* the board or boards of county commissioners intend to employ;

(3) the boundaries or description of the lands to be assessed, which ~~boundaries or description~~ may be recited in full or may be given by reference to any instrument on file or of record in the office of the clerk and recorder~~,~~ *or* treasurer~~, or assessor~~ of the county or counties in which the district or part ~~thereof~~ *of the district* is situated *or with the department of revenue*; and

(4) the time when and the place where the board or boards of county commissioners will hear and pass upon all protests that may be made against the levy of the tax or any matter pertaining ~~thereto~~ *to the tax.*"

Section 19. Section 7-13-2527, MCA, is amended to read:

"7-13-2527. List of property owners. (1) A copy of the order creating the district must be delivered to the ~~county assessor of each county within the district~~ *department of revenue.*

(2) The ~~assessor~~ *department* shall, on or before August 1 of each year, prepare and certify a list of all persons owning class four property within the district and deliver a copy of the list to the board of trustees of the district."

Section 20. Section 7-13-2528, MCA, is amended to read:

"7-13-2528. Financial administration of district. (1) The board of trustees shall, from any list prepared by the ~~county assessor~~ *department of revenue* as required by 7-13-2527, remove the names of any persons who have claimed exemption under this part prior to September 1 and shall prepare a budget for the expenses for the next year.

(2) The budget, together with the list of ~~such~~ persons residing in the district and subject to the special tax after all exemptions have been allowed as provided in this part, ~~shall~~ *must* be presented by September 1 to the board of county commissioners, who shall levy the tax requested by ~~said~~ *the* trustees. The board shall levy ~~such~~ *the* tax in accordance with the *trustees'* request ~~herein mentioned~~. In preparing the budget, the board of trustees shall maintain separate budgets for television services and for FM translator services and shall specify the tax to be levied on property owners for these services. The tax ~~shall~~ *must* be certified to the county clerk and recorder, *who shall notify the department of revenue for entry of the tax* ~~and entered~~ on the ~~assessment books~~ *property tax record* as against ~~such~~ *those* persons and collected by the county treasurer as all other taxes are collected.

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(3) The county treasurer ~~shall be~~ *is* the treasurer for ~~said~~ *the* district and *shall* hold ~~said~~ *the* taxes, as collected, in a separate fund to be disbursed ~~by him~~ upon warrants drawn by the trustees, at least two of whom shall sign any warrant for the disbursement of ~~such~~ *the* funds by the county treasurer."

Section 21. Section 7-13-4309, MCA, is amended to read:

"7-13-4309. Procedure to collect sewer charges. (1) The sewer charges ~~shall~~ *must* be collected by the treasurer.

(2) On or before July 15 of each year, notice ~~shall~~ *must* be given by the city treasurer or town clerk to the owners of all lots or parcels of real estate to which sewer service has been furnished prior to July 1 by the city or town. ~~Said~~ *The* notice ~~shall~~ *must* specify the assessment owing and in arrears at the time of giving ~~such~~ notice. ~~Such~~ *The* notice ~~shall~~ *must* be in writing and ~~shall~~ *must* state the amount of ~~such~~ arrearage, including any penalty and interest assessed pursuant to the provisions of the city or town ordinance, and that unless the ~~same~~ *amount* is paid by August 15 ~~thereafter~~, the ~~same~~ *amount* will be levied as a tax against the lot or parcel of real estate to which sewer service was furnished and for which payment is delinquent ~~as above specified~~. The notice ~~shall~~ *must* also state that the city or town may by suit collect past-due assessments, interest, and penalties, as a debt owing the city or town, in any court of competent jurisdiction, including ~~the~~ city court. ~~Such~~ *The* notice may be delivered to ~~such~~ *the* owner personally or by letter addressed to ~~such~~ *the* owner at the post-office address of ~~such~~ *the* owner as ~~recorded in the office of the county assessor~~ *shown in property tax records maintained by the department of revenue.*

(3) (a) Except as provided in subsection (3)(b), on September 1, the city treasurer or town clerk shall certify and file with the ~~county assessor~~ *department of revenue* a list of all lots or parcels of real estate, giving the legal description ~~thereof~~ *of the lot or parcel,* to the owners of which notices of arrearage in payments were given ~~as above specified~~ and which arrearage ~~still~~ remains unpaid and stating the amount of ~~such~~ *the* arrearage, including any penalty and interest. The ~~county assessor~~ *department of revenue* shall insert the ~~same~~ *amount* as a tax against ~~such~~ *the* lot or parcel of real estate.

(b) In cities where the council has provided by ordinance for the collection of taxes, the city treasurer shall ~~insert such~~ *collect the* delinquent amount, including penalty and interest, as a tax against the lot or parcel of real estate to which sewer service was furnished and payment for which is delinquent.

(4) A city or town may, in addition to pursuing the collection of assessments in the same manner as a tax, bring suit in any court of competent jurisdiction, including city court, to collect the amount due and owing, including penalties and interest, as a debt owing the city or town."

Section 22. Section 7-13-4507, MCA, is amended to read:

"7-13-4507. Notice of resolutions of intention and concurrence. (1) The commissioners shall give notice of the passage of the resolution of intention and resolution of concurrence, if applicable, and publish a notice that:

(a) describes the local water quality program that would be implemented in the local water quality district;

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(b) specifies the initial proposed fees to be charged;

(c) designates the time and place where the commissioners will hear and decide upon protests made against the operation of the proposed district; and

(d) states that a description of the boundaries for the proposed district is included in the resolution on file in the county clerk's office.

(2) The notice must be published as provided in 7-1-2121 and must also be posted in three public places within the boundaries of the proposed district.

(3) The commissioners shall mail to all owners of proposed fee-assessed units, as listed in the ~~county assessor's office~~ *property tax record maintained by the department of revenue*, a postcard that identifies the location where the resolution of intention, resolution of concurrence, and protest forms may be obtained."

Section 23. Section 7-14-2735, MCA, is amended to read:

"7-14-2735. Lien arising from assessments. (1) All of the lands in each part ~~shall be~~ *are* subject to a lien for all of the assessments of that part until they have been paid.

(2) The assessment ~~so made shall be~~ *is* a first lien on the land described in the assessment ~~roll~~ *register*."

Section 24. Section 7-14-2738, MCA, is amended to read:

"7-14-2738. Preparation of assessment ~~roll~~ *register*. (1) When the order for improvement and construction has been made by the board, the committee and the ~~county assessor~~ *department of revenue* shall apportion the estimated cost and expenses to the land in the district.

(2) Within 30 days before the letting of the contract, the ~~assessor~~ *department* shall report to and file with the board and the treasurer an assessment ~~roll~~ *register* in duplicate. It ~~shall~~ *must* contain the description of each parcel of land to be assessed, the amount to be assessed against it, and the name of the owner, if known."

Section 25. Section 7-14-2739, MCA, is amended to read:

"7-14-2739. Notice of preparation of assessment ~~roll~~ *register*. As soon as the assessment ~~roll~~ *register* is reported and filed, the board shall publish notice as provided in 7-1-2121. The notice ~~shall~~ *must* notify all persons interested that the assessment ~~roll~~ *register* has been filed and require them to appear at the office of the board at the county seat at a time not less than 15 days from the date of the last publication of the notice to make objections."

Section 26. Section 7-14-2740, MCA, is amended to read:

"7-14-2740. Hearing on assessment ~~roll~~ *register*. At the time fixed, the board ~~and the assessor~~ shall meet. If no objections have been filed, the board shall make an order confirming the assessment ~~roll~~ *register*. If written objections, properly verified, have been filed, the board shall hear the objections, receiving ~~any~~ testimony from any party involved."

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Section 27. Section 7-14-2742, MCA, is amended to read:

"7-14-2742. Correction of errors — approval of assessment ~~roll~~ *register*. (1) After the hearing, the board shall make ~~such~~ *any* corrections as appear just to apportion the assessment to the benefit to be received.

(2) ~~It~~ *The board* shall then make and enter an order approving and certifying the assessment ~~roll~~ *register*."

Section 28. Section 7-14-2743, MCA, is amended to read:

"7-14-2743. Levy of assessments. With the aid of the ~~assessor~~ *department of revenue*, the board shall levy and assess the amounts on the assessment ~~roll~~ *register* against the parcels of land or parts ~~thereof~~ *of parcels. The department shall enter in the property tax record the amounts levied and assessed.*"

Section 29. Section 7-14-2744, MCA, is amended to read:

"7-14-2744. Mode of payment of assessment — immediate payment. (1) If immediate payment is chosen, the board shall deliver the assessment ~~roll~~ *register* to the county clerk as soon as it has been proved and certified. The clerk shall file a duplicate in ~~his~~ *the clerk's* office and immediately deliver the other to the treasurer.

(2) The treasurer shall publish a notice for 2 consecutive weeks in the newspapers in which the notice for bids was advertised and shall mail a copy of the notice to the owners of the land assessed, when the name and post-office address of the owner are known.

(3) Failure to mail notice ~~shall~~ *is* not ~~be~~ fatal to the assessment when it has been published.

(4) The notice ~~shall~~ *must* state the following:

(a) The assessment ~~roll~~ *register* has been certified to the treasurer for collection.

(b) Unless payment is made within 30 days from the date of the notice, the payment will become delinquent and ~~shall bear~~ *bears* interest at the rate of 10% per annum.

(c) If the assessment is not paid before it becomes delinquent, a penalty of 5% ~~shall~~ *must* be added, as well as the interest on the annual tax roll for the current year.

(d) The interest and penalty ~~shall~~ *must* be collected together with ~~such~~ *the* additional charges as are authorized to be charged and collected on other delinquent taxes.

(e) The land assessed ~~shall~~ *must* be sold for the amount of the assessment with interest, penalty, and costs, in the manner and with the same authority as lands are sold for general taxes."

Section 30. Section 7-14-2745, MCA, is amended to read:

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"7-14-2745. Mode of payment of assessment — installment payments. (1) Installment payments ~~shall~~ *must* be made in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

(2) Payments ~~shall~~ *must* be in the form of bonds ~~which shall~~ *that* draw interest, not to exceed the limitations of 17-5-102, per annum from the date they are issued until they are paid.

(3) If the mode of payment is to be by installments, the board and the committee shall approve and certify the assessment ~~roll~~ *register*.

(4) The board ~~and the assessor~~ shall, at the time of levying the assessment and in ~~their~~ *the* order setting the levy, declare that the sum charged against each parcel of land may be paid in equal annual installments with interest upon the whole sum at the rate fixed by the board of county commissioners in accordance with law. The order ~~shall~~ *must* specify the number of installments ~~that shall~~, *which must* be equal to the number of years for which the bonds may run.

(5) Each year ~~thereafter~~, the treasurer shall collect one of the installments, together with the interest due ~~thereon~~ *on that installment* and the interest due on the *future* installments ~~thereafter to become due~~.

(6) Provisions concerning delinquency and the sale of land set forth with relation to the mode of immediate payment ~~shall be likewise~~ *are* applicable to installment payments."

Section 31. Section 7-14-2755, MCA, is amended to read:

"7-14-2755. Notice of use of bonds. (1) If the board provides that payment of costs ~~shall~~ *must* be made by the issuance of bonds, the treasurer shall publish notice for 2 consecutive weeks and mail a copy of the notice in the same manner as is provided with relation to immediate payment.

(2) The notice ~~shall~~ *must* state that:

(a) the assessment ~~roll~~ *register* has been certified to the treasurer for collection;

(b) unless payment of the whole amount of the assessment is made within 30 days from the date of the notice, special bonds ~~shall~~ *must* be issued against the lands in the district for the payment of the assessment;

(c) if the bonds are issued, they will be payable in annual installments with interest ~~thereon~~ *on the bonds* at the rate provided in the bonds."

Section 32. Section 15-1-101, MCA, is amended to read:

"15-1-101. Definitions. (1) Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers to:

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(i) the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for commercial purposes; and

(ii) the raising of domestic animals and wildlife in domestication or a captive environment.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and *the* profit margin shown in national appraisal guides and manuals or the valuation schedules of the department ~~of revenue~~.

(d) (i) The term "commercial", when used to describe property, means any property used or owned by a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except ~~that~~ property described in subsection (1)(d)(ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands and~~, beginning January 1, 1994,~~ forest lands;

(C) single-family residences and ancillary improvements and improvements necessary to the function of a bona fide farm, ranch, or stock operation;

(D) mobile homes used exclusively as a residence except when held by a distributor or dealer of trailers or mobile homes as ~~his~~ stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136.

(e) The term "comparable property" means property that has similar use, function, and utility; that is influenced by the same set of economic trends and physical, governmental, and social factors; and that has the potential of a similar highest and best use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) "Department" means the department of revenue provided for in 2-15-1301.

~~(g)~~*(h)* The terms "gas" and "natural gas" are synonymous and mean gas as defined in 82-1-111(2). The terms include all natural gases and all other fluid hydrocarbons, including methane gas or any other natural gas found in any coal formation.

~~(h)~~*(i)* The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department ~~of revenue or its agent~~ determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home

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or housetrailer may be determined to be permanently located only when it is attached to a foundation ~~which~~ *that* cannot feasibly be relocated and only when the wheels are removed.

~~(i)~~*(j)* The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification, and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on ~~such~~ leasehold improvements are a lien only on ~~such~~ *the* leasehold improvements.

~~(j)~~*(k)* The term "livestock" means cattle, sheep, swine, goats, horses, mules, asses, llamas, alpacas, bison, and domestic ungulates.

~~(k)~~*(l)* The term "mobile home" means forms of housing known as "trailers", "housetrailers", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any "trailer", "housetrailer", or "trailer coach" up to 8 feet in width or 45 feet in length used as a principal residence.

~~(l)~~*(m)* The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements".

~~(m)~~*(n)* The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

~~(n)~~*(o)* The term "property" includes ~~moneys~~ *money*, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition ~~must~~ *may* not be construed to authorize the taxation of the stocks of any company or corporation when the property of ~~such~~ *the* company or corporation represented by the stocks is within the state and has been taxed.

~~(o)~~*(p)* The term "real estate" includes:

(i) the possession of, claim to, ownership of, or right to the possession of land;

(ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and Title 15, chapter 23, part 8; all timber belonging to individuals or corporations growing or being on the lands of the United States; and all rights and privileges appertaining ~~thereto~~ *to the mines, minerals, quarries, and timber.*

~~(p)~~*(q)* "Research and development firm" means an entity incorporated under the laws of this state or a foreign corporation authorized to do business in this state whose principal purpose is to engage in theoretical analysis, exploration, and experimentation and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

~~(q)~~*(r)* The term "taxable value" means the percentage of market or assessed value as provided for in Title 15, chapter 6, part 1.

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(2) The phrase "municipal corporation" or "municipality" or "taxing unit" ~~shall be deemed to include~~ *includes* a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

(3) The term "state board" or "board" when used without other qualification ~~shall mean~~ *means* the state tax appeal board."

Section 33. Section 15-1-111, MCA, is amended to read:

"15-1-111. Reimbursement to local governments and schools — duties of department and county treasurer — statutory appropriation. (1) Prior to September 1, 1990, the department's agent in the county shall supply the following information to the department for each taxing jurisdiction within the county:

(a) the number of mills levied in the jurisdiction for ~~taxable~~ *tax* year 1989;

(b) the number of mills levied in the jurisdiction for ~~taxable~~ *tax* year 1990;

(c) the total taxable valuation for ~~taxable~~ *tax* years 1989 and 1990, reported separately for each year, of all personal property not secured by real property; and

(d) the total taxable valuation for ~~taxable~~ *tax* years 1989 and 1990, reported separately for each year, of all personal property secured by real property.

(2) After receipt of the information from its agent, the department shall calculate the amount of revenue lost to each taxing jurisdiction, using current year mill levies, due to the annual reduction in personal property tax rates set forth in 15-6-138, and any reduction in taxes based upon recalculation of the effective tax rate for property in 15-6-145. The department shall total the amounts for all taxing jurisdictions within the county.

(3) (a) The department shall remit to the county treasurer 50% of the amount of revenue reimbursable, determined pursuant to subsection (1), on or before November 30 and the remaining 50% on or before May 31.

(b) For tax year 1993 and for each tax year thereafter, the department shall remit to the county treasurer of each county the same amount remitted to the county treasurer for the fiscal year 1991, as adjusted by the result of dissolved or combined taxing jurisdictions, as provided for in subsection (7). Fifty percent of the amount must be remitted on or before November 30 and the remaining 50% on or before May 31.

(4) Upon receipt of the reimbursement from the department, the county treasurer shall distribute the reimbursement to each taxing jurisdiction as calculated by the department.

(5) For the purposes of this section and subject to subsection (7), "taxing jurisdiction" means a jurisdiction levying mills against personal property and includes but is not limited to a county, city, school district, tax increment financing district, *and* miscellaneous taxing district~~;~~ and the state of Montana.

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(6) The amounts necessary for the administration of this section are statutorily appropriated, as provided in 17-7-502, from the general fund to reimburse eligible taxing jurisdictions for reductions in tax rates on personal property.

(7) The following apply to taxing jurisdictions that were altered after tax year 1989:

(a) A taxing jurisdiction that existed in tax year 1989 and that no longer exists is not entitled to reimbursement under this section.

(b) A taxing jurisdiction that existed in tax year 1989 and that is split into two or more taxing jurisdictions is entitled to reimbursement based on the portion of 1989 taxable value within each new taxing jurisdiction. The department shall determine the portion of 1989 taxable value located in each taxing jurisdiction.

(c) A taxing jurisdiction that did not exist in tax year 1989 is not entitled to reimbursement under this section unless the jurisdiction was created as described in subsection (7)(b)."

Section 34. Section 15-1-201, MCA, is amended to read:

"**15-1-201. Administration of revenue laws.** (1) (a) The department ~~of revenue shall have and exercise~~ *has* general supervision over the administration of the assessment and tax laws of the state, except Title 15, chapter 70, and over ~~its agents and~~ any officers of municipal corporations having any duties to perform under any of the laws of this state relating to taxation to the end that all assessments of property be made relatively just and equal at true value in substantial compliance with law. The department may make rules to supervise the administration of all revenue laws of the state and assist in their enforcement.

(b) The department ~~of revenue~~ shall adopt rules specifying which types of property within the several classes are considered "comparable property" as described in 15-1-101.

(c) The department shall also adopt rules ~~specifying the methodology to be used in conducting sales assessment ratio studies and in~~ *for* determining the value-weighted mean sales assessment ratio for all commercial and industrial real property and improvements.

(2) The department shall confer with, advise, and direct officers of municipal corporations ~~as to~~ *concerning* their duties, with respect to taxation, under the ~~statutes~~ *laws* of the state.

(3) The department shall collect annually from the proper officers of the municipal corporations information about the assessment of property, collection of taxes, receipts from licenses and other sources, the expenditure of public funds for all purposes, and other information as may be needful and helpful in the work of the department in a form prescribed by the department. It is the duty of all public officers to fill out properly and return promptly to the department all forms and *to* aid the department in its work. The department shall examine the records of all municipal corporations for purposes considered needful or helpful."

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Section 35. Section 15-1-202, MCA, is amended to read:

"**15-1-202. Enforcement of revenue laws.** (1) The department ~~of revenue~~ may direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the penalties, liabilities, and punishment of public officials and persons or their agents for failure or neglect to comply with the provisions of the statutes, except Title 15, chapter 70, governing the revenue of the state or municipal corporations. The department shall cause complaints to be made against ~~assessors and other~~ public officers to the proper district court for their removal from office for official misconduct~~,~~ *or* neglect of duty~~, or failure of an assessor to comply with the certification or continuing education requirements of 15-8-106~~.

(2) The department may require county attorneys to assist in the commencement and prosecution of actions and proceedings in their respective counties for penalties, forfeitures, removals, and punishment for violations of the laws of the state in respect to the assessment of property and other revenue laws ~~or for failure of an assessor to comply with the certification or continuing education requirements of 15-8-106~~.

~~(3) Nothing in this section affects the authority of any other person, public officer, or public body to pursue any other legal process for the removal from office of an assessor who forfeits office for failure to comply with certification and continuing education requirements.~~"

Section 36. Section 15-1-205, MCA, is amended to read:

"**15-1-205. Biennial report — contents.** (1) The department shall transmit to the governor 20 days before the meeting of the legislature and make available to the legislature a report of the department showing all the taxable property of the state, counties, and cities and its value, in tabulated form, with recommendations for improvements in the system of taxation, together with alternative measures as may be formulated for the consideration of the legislature. The department shall follow the provisions of 5-11-210 in preparing the report.

(2) The report or supplements to the report may also include:

(a) the gross dollar amount of revenue loss attributable to:

(i) personal income and corporation license tax exemptions;

(ii) property tax exemptions for which application to the department ~~or its agent~~ is necessary;

(iii) deferral of income;

(iv) credits allowed against Montana personal income tax or Montana corporation license tax, reported separately;

(v) deductions from income; and

(vi) any other identifiable preferential treatment of income or property;

(b) any change in tax revenue of the state or any unit of local government attributable to a change in federal tax law; and

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(c) any change in the revenue of any unit of local government attributable to a change in state tax law.

(3) The data described in subsection (2), if reported, must be related to the income and age of the taxpayer whenever the information is available.

(4) (a) When reporting the data described in subsection (2)(a), the department shall identify any known purpose of the preferential treatment.

(b) Based upon the purpose of the preferential treatment, the department shall outline the available data necessary to determine the effectiveness of the preferential treatment.

(5) In reporting the data described in subsection (2), the department shall report any comparable data, if available, from Wyoming, Idaho, North Dakota, and South Dakota and from any other state the department may choose.

(6) The department shall identify in a separate section of the report any changes that have been made or that are contemplated in property appraisal or assessment.

(7) The department may include a report, prepared by the department of transportation, showing the selling price of gasoline at the wholesale level in prime market centers of Montana and in surrounding states during the biennium, with indexes tabulated at sufficient intervals to show the comparative state price structures.

(8) The department shall include the inheritance tax information required by 72-16-202 in a separate section of the report."

Section 37. Section 15-1-303, MCA, is amended to read:

"**15-1-303. Penalty for refusal to furnish information.** (1) If a person refuses to allow inspection of any books or records when requested by the department ~~or its authorized agent~~ or refuses or neglects to furnish any information called for by the department in the performance of its official duties relating to the assessment and taxation of property, the department shall make a determination and assessment of the property as in its judgment appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the assessment as a penalty for the refusal or neglect. The department shall immediately notify the person assessed of its action, either by certified mail or by personal service of the notice.

(2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following remedies:

(a) Within 15 days after receipt of the assessment, the taxpayer may request an informal conference with ~~the agent of~~ the department. At the conference, the taxpayer may present evidence in mitigation or extenuation of the failure to supply the information requested by the department. Within 10 days after the conference, ~~the agent of~~ the department shall notify the taxpayer by certified mail whether the assessment will be modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation or extenuation of the failure to supply the information sought by the department and if it finds that the taxpayer did not willfully refuse to supply the information.

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(b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to the county tax appeal board within 20 days after receipt of the decision of the department. The county tax appeal board has the authority to modify the:

(i) assessment only if it finds that the assessment exceeds 100% of the value of the property specified in 15-8-111; and

(ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or extenuation of the failure to supply the information that the department sought.

(c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not reduce the penalty to less than 20% of the assessment~~,~~ or, if the assessment is modified pursuant to subsection (2)(b)(i), to less than 20% of the modified assessment.

(3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's decision. When deciding an appeal brought under this subsection, the state tax appeal board shall follow the provisions of subsections (2)(b) and (2)(c).

(4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial review pursuant to 15-2-303."

Section 38. Section 15-6-207, MCA, is amended to read:

"15-6-207. Agricultural exemptions. (1) The following agricultural products are exempt from taxation:

(a) all unprocessed agricultural products on the farm or in storage and owned by the producer;

(b) all producer-held grain in storage;

(c) all unprocessed agricultural products, except livestock;

(d) except as provided in subsection (1)(e), livestock ~~which~~ *that* have not attained the age of 24 months as of ~~March~~ *February* 1;

(e) swine ~~which~~ *that* have not attained the age of 6 months as of January 1;

(f) poultry and the unprocessed products of poultry; and

(g) bees and the unprocessed product of bees.

(2) Any beet digger, beet topper, beet defoliator, beet thinner, beet cultivator, beet planter, or beet top saver designed exclusively to plant, cultivate, and harvest sugar beets is exempt from taxation if such implement has not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date and there are no available sugar beet contracts in the sugar beet grower's marketing area."

Section 39. Section 15-7-102, MCA, is amended to read:

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"15-7-102. Notice of classification and appraisal to owners. — appeals. (1) The department ~~of revenue~~ shall~~, through its agent as specified in subsection (2),~~ mail to each owner or purchaser under contract for deed a notice of the classification of the land owned or being purchased and the appraisal of the improvements on the land only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(a) change in ownership;

(b) change in classification;

(c) change in valuation; or

(d) addition or subtraction of personal property affixed to the land.

(2) (a) The ~~county assessor~~ *department* shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request an assessment review by submitting an objection in writing to the department, on forms provided by the department for that purpose, within 15 days after receiving the notice of classification and appraisal from the department. The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer in support of the taxpayer's opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer of the time and place of the review. After the review, the department shall determine the true and correct appraisal and classification of the land or improvements and notify the taxpayer of its determination. In the notification, the department shall state its reasons for revising the classification or appraisal. When the proper appraisal and classification have been determined, the land must be classified and the improvements appraised in the manner ordered by the department.

(4) Whether a review as provided in subsection (3) is held or not, the department ~~or its agent~~ may not adjust an appraisal or classification upon *the* taxpayer's objection unless:

(a) the taxpayer has submitted an objection in writing; and

(b) the department ~~or its agent~~ has stated its reason in writing for making the adjustment.

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(5) A taxpayer's written objection to a classification or appraisal and the department's notification to the taxpayer of its determination and the reason for that determination are public records. The department shall make the records available for inspection during regular office hours.

(6) If any property owner feels aggrieved by the classification or appraisal made by the department after the review provided for in subsection (3), the property owner has the right to first appeal to the county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board must be filed within 15 days after notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

Section 40. Section 15-7-106, MCA, is amended to read:

"15-7-106. Courses of instruction, examination, and certification -- *additional courses.* (1) The department ~~of revenue~~ shall offer courses in the principles, methods, and techniques of appraising for property tax purposes property in three fields:

(a) residential property;

(b) agricultural land; and

(c) commercial and industrial property.

(2) ~~Twice each year the~~ *The* department shall conduct an examination for those who have completed a course of instruction in any of the three fields listed in subsection (1).

~~(3) The department shall issue a certificate to each appraiser successfully completing a course of instruction and passing an examination in any of these fields.~~

~~(4)~~*(3)* ~~No~~ *A* person may *not* take the examination for appraising commercial and industrial property unless ~~he~~ *the person* holds a certificate in appraising residential property.

(4) The department may schedule and conduct other courses within the state for appraisers, assessors, and department personnel for training in the following subjects:

(a) personal property assessment;

(b) property tax administration; and

(c) personnel management, fiscal management, public relations, professional ethics, and related management principles.

(5) The department shall issue a certificate to each appraiser, assessor, or other person successfully completing a course of instruction and passing an

examination in any of the fields provided for in subsection (1) or any subject provided for in subsection (4)."

Section 41. Section 15-7-107, MCA, is amended to read:

"**15-7-107. Certification required.** (1) ~~Within 1 year after his employment by the department or by July 1, 1980, whichever occurs later, any~~ *An* appraiser employed by the department to appraise:

(a) residential property ~~must~~ *shall* obtain a certificate in appraising residential property;

(b) agricultural land ~~must~~ *shall* obtain a certificate in appraising agricultural land; and

(c) commercial and industrial property ~~must~~ *shall* obtain a certificate in appraising commercial and industrial property.

(2) The department may promulgate rules requiring appraisers to complete continuing education courses in laws, rules, and methods relating to appraisal."

Section 42. Section 15-7-208, MCA, is amended to read:

"**15-7-208. Reclassification by department.** The department ~~of revenue or its agent~~ may reclassify land as nonagricultural upon giving due notice to the property owner or any purchaser under contract for deed under the provisions of 15-7-102. Upon notice of a change in classification of land from agricultural to another use, the property owner may petition the department to reclassify the land as agricultural by completing a form prescribed by the department and by producing whatever information is necessary to prove that the subject land meets the definition of agricultural land embodied in 15-7-202."

Section 43. Section 15-7-209, MCA, is amended to read:

"**15-7-209. Reclassification by owner — lien.** (1) Whenever land ~~which~~ *that* is or has been in agricultural use and is or has been valued, assessed, and taxed for agricultural use is applied to a use other than agricultural, the owner shall notify the ~~county assessor~~ *department.*

(2) The ~~county assessor~~ *department* shall ~~execute~~ *provide,* in a form eligible for recording, releases of lien, for those liens attributable to the former rollback tax, and the ~~assessor~~ *department* shall ~~record~~ *present* the releases ~~in the office of~~ *to* the *county* clerk and recorder *for recording.*"

Section 44. Section 15-7-304, MCA, is amended to read:

"**15-7-304. Report of transfers — change of ownership records.** (1) All transfers of real property ~~which~~ *that* are not evidenced by a recorded document, except those transfers otherwise provided for in this part, ~~shall~~ *must* be reported to the department ~~of revenue or its agent~~ on the form prescribed.

(2) ~~No agent of the~~ *The* department ~~may change or be~~ *is not* required to change any ownership records used for the assessment or taxation of real property unless ~~he~~ *the department* has received a transfer certificate from the clerk and recorder or a transfer has been reported to ~~him~~ *the department as provided by rule.*"

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Section 45. Section 15-7-308, MCA, is amended to read:

"15-7-308. Disclosure of information restricted. The certificate required by this part and the information ~~therein shall~~ *contained in the certificate is* not ~~be~~ a public record and ~~shall~~ *must* be held confidential by the county clerk and recorder~~, county assessor,~~ and *the* department ~~of revenue~~. This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The ~~foregoing~~ *confidentiality* provisions ~~shall~~ *do* not apply to compilations from ~~such~~ *the* certificates or to summaries, analyses, and evaluations based upon ~~such~~ *the* compilations."

Section 46. Section 15-7-402, MCA, is amended to read:

"15-7-402. Application for residential appraisal of certain land and improvements. (1) Any person wishing to ~~insure~~ *ensure* that ~~his~~ *the person's* residential land and improvements are appraised as residential may file a signed application with the department ~~of revenue or its agents~~.

(2) In the application, the owner ~~must~~ *shall*:

(a) assert that the property is used only for human habitation and is the principal residence of the owner;

(b) sign a statement pledging that the property will continue to be used as residential property; and

(c) show that the statement has been filed with the county clerk and recorder of the county in which the property is located.

(3) When the department has approved an application for residential use, the department and its agents shall consider only those indicia of value that the property has for residential use.

(4) Failure to file an application under this section ~~shall~~ *may* not result in reclassification on real property unless there has been an actual change in use."

Section 47. Section 15-7-403, MCA, is amended to read:

"15-7-403. Rollback tax — computation. (1) (a) If land and improvements appraised as residential as a result of an application filed under 15-7-402 are changed to industrial or commercial use, the property is subject to a rollback tax in addition to the property tax levied on the property. The rollback tax is a lien on the property and is due and payable by the owner of the property at the time of the change in use.

(b) As used in this section, "rollback" means the period preceding the change in use, not to exceed 5 years, during which the property was appraised as residential.

(2) The ~~department's agent~~ *department* shall determine the amount of rollback tax due on the property by:

(a) determining the taxable value of the property as industrial or commercial property;

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(b) multiplying this value by the sum of the annual mill levies applied in the taxing jurisdiction in which the land is located during the rollback period; and

(c) subtracting from this figure the actual property tax paid on the property during this period."

Section 48. Section 15-8-102, MCA, is amended to read:

"15-8-102. County ~~assessor as agent of department — counties~~ to furnish office space. ~~(1) The county assessors of the various counties of the state are agents of the department of revenue for the purpose of locating and providing the department a description of all taxable property within the county, together with other pertinent information, and for the purpose of performing such other administrative duties as are required for placing taxable property on the assessment rolls. The assessors shall perform such other duties as are required by law, not in conflict with the provisions of this subsection.~~

~~(2)~~ The county commissioners of ~~the various counties~~ *each county* shall provide existing office space in the county courthouse for use by the ~~county assessor, his deputies and staff, and the state appraiser and~~ *department's assessment and appraisal* staff, if ~~such~~ space is reasonably available. If ~~such~~ space is not reasonably available in the courthouse ~~and the same must be contracted for~~, the department ~~shall pay the cost thereof~~ *may contract for the procurement of suitable space.* ~~Additional personal property required by the department for the assessor to perform his duties as agent of the department shall be provided by the department.~~

~~(3) The department must provide maps for the use of its agents, showing the private lands owned or claimed in the county and, if surveyed under authority of the United States, the divisions and subdivisions of the survey. Maps of cities and villages or school districts may in like manner be provided. The cost of making such maps is a state charge and must be paid from the state general fund.~~"

Section 49. Section 15-8-104, MCA, is amended to read:

"15-8-104. Department audit *and review* of taxable value — costs ~~of audit~~ paid by department. (1) When in the judgment of the director of revenue it is necessary, audits may be made for the purpose of determining the taxable value of net proceeds of mines and oil and gas wells and all other types of property subject to ad valorem taxation.

(2) The department ~~of revenue shall~~ *may* conduct ~~audits~~ *reviews* of the assessment of all commercial personal property to ~~assure~~ *ensure* that the value of the property in those classes reflects market value. Because the assessed value of commercial personal property is defined as market value under 15-8-111(2), the ~~audits~~ *review* conducted by the department ~~shall~~ *may* be ~~primarily~~ directed toward ensuring that all taxable personal property is reported to the department.

(3) The cost of any audit *or review* performed under subsection (1) or (2) ~~shall~~ *must* be paid by the department."

Section 50. Section 15-8-111, MCA, is amended to read:

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"**15-8-111. Assessment — market value standard — exceptions.** (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.

(2) (a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(b) If the department uses construction cost as one approximation of market value, the department shall fully consider reduction in value caused by depreciation, whether through physical depreciation, functional obsolescence, or economic obsolescence.

(c) Except as provided in subsection (3), the market value of all motor trucks; agricultural tools, implements, and machinery; and vehicles of all kinds~~, including but not limited to boats and all watercraft,~~ is the average wholesale value shown in national appraisal guides and manuals or the value of the vehicle before reconditioning and profit margin. The department ~~of revenue~~ shall prepare valuation schedules showing the average wholesale value when a national appraisal guide does not exist.

(3) The department ~~of revenue or its agents~~ may not adopt a lower or different standard of value from market value in making the official assessment and appraisal of the value of property, except:

(a) the wholesale value for agricultural implements and machinery is the loan value as shown in the Official Guide, Tractor and Farm Equipment, published by the national farm and power equipment dealers association, St. Louis, Missouri;

(b) for agricultural implements and machinery not listed in the official guide, the department shall prepare a supplemental manual ~~where~~ *in which* the values reflect the same depreciation as those found in the official guide; and

(c) as otherwise authorized in Title 15 and Title 61.

(4) For purposes of taxation, assessed value is the same as appraised value.

(5) The taxable value for all property is the percentage of market or assessed value established for each class of property.

(6) The assessed value of properties in 15-6-131 through 15-6-133 is as follows:

(a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515, 15-23-516, or 15-23-517.

(b) Properties in 15-6-132, under class two, are assessed at 100% of the annual gross proceeds.

(c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are valued as agricultural lands for tax purposes.

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(d) ~~Beginning January 1, 1990, and ending December 31, 1993, properties in 15-6-143, under class ten, are assessed at 100% of the combined appraised value of the standing timber and grazing productivity of the land when valued as timberland.~~

~~(e) Beginning January 1, 1994, properties~~ *Properties* in 15-6-143, under class ten, are assessed at 100% of the forest productivity value of the land when valued as forest land.

(7) Land and the improvements on the land are separately assessed when any of the following conditions occur:

(a) ownership of the improvements is different from ownership of the land;

(b) the taxpayer makes a written request; or

(c) the land is outside an incorporated city or town. ~~*(Subsection (6)(d) terminates January 1, 1994—sec. 19, Ch. 783, L. 1991.)*~~ "

Section 51. Section 15-8-112, MCA, is amended to read:

"15-8-112. Assessments to be made on classification and appraisal. (1) The assessments of all lands, *all* city and town lots, and all improvements must be made on the classification and appraisal as made or caused to be made by the department ~~of revenue~~.

(2) The percentage basis of assessed value as provided for in chapter 6, part 1, is determined and assigned by the department when it makes its annual assessment of the property ~~which~~ *that* it is required to assess centrally ~~under the laws of this state~~. The department shall ~~transmit such determination and assignment to its agents in~~ *apportion the assessments to* the various counties ~~with the assessments so made~~, and its determination is final except as to the right of review in the state tax appeal board or the proper court."

Section 52. Section 15-8-113, MCA, is amended to read:

"15-8-113. Appeal from percentage assignment. If any taxpayer ~~shall feel aggrieved at~~ *disagrees with* the percentage assignment ~~so~~ made by the department ~~of revenue or its agent~~, ~~he shall have the right to~~ *the taxpayer may* appeal to the county tax appeal board on the percentage assignment the same as ~~he~~ *a taxpayer may* now ~~has~~ *appeal* on valuations and also ~~the right to~~ *may* appeal from the county tax appeal board to the state tax appeal board, whose findings ~~shall be~~ *are* final except as to the right of review in the proper courts."

Section 53. Section 15-8-115, MCA, is amended to read:

"15-8-115. Department to defend property tax appeals — costs and judgments. (1) The department ~~of revenue or its designee~~ is the party defendant in any proceeding before a county tax appeal board, the state tax appeal board, or a court of law that seeks to dispute or adjust an action of the department under 15-8-101 arising from the exercise of the department's duties as prescribed by law or administrative rule. For the purposes of proceedings before county tax appeal boards, service on the department may be obtained by serving the ~~local county assessor~~ *person designated to receive service for the department.*

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(2) Costs, if any, ~~shall~~ *must* be assessed against the department and not against a local taxing unit.

(3) In any suit brought in the courts of this state for the refund of taxes paid under protest and those funds are held by the treasurer of a unit of local government in a protest fund, the court shall enter judgment, exclusive of costs, against the treasurer if the court finds the taxes should be refunded."

Section 54. Section 15-8-201, MCA, is amended to read:

"15-8-201. General assessment day. (1) The department ~~of revenue or its agent must~~ *shall*, between January 1 and the second Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject to taxation in each county. The department ~~or its agent must~~ *shall* assess property to the person by whom it was owned or claimed or in whose possession or control it was at midnight of *the preceding* January 1 ~~next preceding~~. ~~It must~~ *The department shall* also ascertain and assess all mobile homes arriving in the county after midnight of *the preceding* January 1 ~~next preceding~~. ~~No~~ *A* mistake in the name of the owner or supposed owner of real property~~, however, renders~~ *does not invalidate* the assessment ~~invalid~~.

(2) The procedure provided by this section ~~may~~ *does* not apply to:

(a) motor vehicles that are required by 15-8-202 to be assessed on January 1 or upon their anniversary registration date;

(b) motor homes, travel trailers, and campers;

(c) watercraft;

(d) livestock;

(e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for personal property taxes on the date that application is made for a special mobile equipment plate;

(f) mobile homes held by a distributor or dealer of mobile homes as ~~a part of his~~ stock in trade; and

(g) property subject to the provisions of 15-16-203.

(3) Credits must be assessed as provided in 15-1-101(1)(f)."

Section 55. Section 15-8-202, MCA, is amended to read:

"15-8-202. Motor vehicle assessment. (1) The department ~~or its agent must~~ *shall*, in each year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers or mobile homes, in each county subject to taxation as of January 1 or as of the anniversary registration date of those vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The assessment for all motor vehicles must be made in accordance with 61-3-503. The motor vehicles ~~shall~~ *must* be assessed in each year to the persons by whom owned or claimed or in whose possession or control they were at midnight of January 1 or the anniversary registration date ~~thereof~~, whichever is applicable.

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(2) ~~No tax~~ *A tax* may *not* be assessed against motor vehicles subject to taxation that constitute inventory of motor vehicle dealers as of January 1. These vehicles and all other motor vehicles subject to taxation brought into the state subsequent to January 1 as motor vehicle dealers' inventories ~~shall~~ *must* be assessed to their respective purchasers as of the dates the vehicles are registered by the purchasers.

(3) "Purchasers" includes dealers who apply for registration or reregistration of motor vehicles, except as otherwise provided by 61-3-502.

(4) Goods, wares, and merchandise of motor vehicle dealers, other than new motor vehicles and new mobile homes, ~~shall~~ *must* be assessed at market value as of January 1."

Section 56. Section 15-8-205, MCA, is amended to read:

"15-8-205. Initial assessment of class four trailer and mobile home property — when. The ~~county assessor~~ *department* shall assess all class four trailer and mobile home property immediately upon arrival in the county if the taxes have not been previously paid for that year in another county in Montana."

Section 57. Section 15-8-301, MCA, is amended to read:

"15-8-301. Statement — what to contain. (1) The department ~~of revenue or its agent must~~ *may* require from ~~each~~ *a* person a statement under oath setting forth specifically all the real and personal property owned by, ~~such person or~~ in ~~his~~ possession *of,* or under ~~his~~ *the* control *of the person* at midnight on January 1. ~~Such~~ *The* statement must be in writing, showing separately:

(a) all property belonging to, claimed by, or in the possession or under the control or management of ~~such~~ *the* person;

(b) all property belonging to, claimed by, or in the possession or under the control or management of any firm of which ~~such~~ *the* person is a member;

(c) all property belonging to, claimed by, or in the possession or under the control or management of any corporation of which ~~such~~ *the* person is president, secretary, cashier, or managing agent;

(d) the county in which ~~such~~ *the* property is situated or in which ~~it~~ *the property* is liable to taxation and, ~~(~~if liable to taxation in the county in which the statement is made~~)~~, also the city, town, school district, road district, or other revenue districts in which ~~it~~ *the property* is situated;

(e) an exact description of all lands, ~~in parcels or subdivisions not exceeding 640 acres each and the sections and fractional sections of all tracts of land containing more than 640 acres which have been sectionized by the United States government;~~ improvements, and personal property; ~~all taxable state, county, city, or other municipal or public bonds and the taxable bonds of any person, firm, or corporation and deposits of money, gold dust, or other valuables and the names of the persons with whom such deposits are made and the places in which they may be found; all mortgages, deeds of trust, contracts, and other obligations by which a debt is secured and the property in the county affected thereby;~~

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~~(f) all solvent credits, secured or unsecured, due or owing to such person or any firm of which he is a member or due or owing to any corporation of which he is president, secretary, cashier, or managing agent;~~

~~(g)~~*(f)* all depots, shops, stations, buildings, and other structures erected on the space covered by the right-of-way and all other property owned by any person owning or operating any railroad within the county.

(2) Whenever one member of a firm or one of the proper officers of a corporation has made a statement showing the property of the firm or corporation, another member of the firm or another officer ~~need~~ *is* not *required to* include ~~such~~ *the* property in ~~the~~ *that person's* statement ~~made by him~~ but ~~this~~ *the* statement must show the name of the person or officer who made the statement in which ~~such~~ *the* property is included.

(3) The fact that ~~such~~ *a* statement is not required or that a person has not made ~~such~~ *a* statement, under oath or otherwise, does not relieve ~~his~~ *the person's* property from taxation."

Section 58. Section 15-8-303, MCA, is amended to read:

"15-8-303. Statement to be completed and returned to ~~department's agent~~ *department.* The ~~agent of the~~ department ~~of revenue may fill out the statement at the time he presents it, or he~~ may deliver ~~it~~ *the statement specified in 15-8-301* to the person *owning taxable property* and require ~~him~~ *the person,* within an appointed time, to return the ~~same to him~~ *statement,* properly filled out. The ~~agent must either in person or by mail deliver to~~ *department shall notify* the person making the statement ~~a copy of the same, showing~~ *of* any corrections made ~~thereto~~ by the ~~agent~~ *department.*"

Section 59. Section 15-8-304, MCA, is amended to read:

"15-8-304. Enforcement powers of department. (1) The department ~~of revenue has power to~~ *may*:

(a) require any person in the state to make and subscribe an affidavit, giving ~~his~~ *the person's* name, ~~and~~ place of residence, and post-office address;

(b) subpoena and examine any person in relation to any statement furnished to ~~it~~ *the department* or ~~which~~ *any statement that* discloses property ~~which~~ *that* is assessable in the state.

(2) The department may exercise this power in any county where the person whom it desires to examine may be found but ~~has no power to~~ *may not* require ~~such~~ *the* person to appear before it in any ~~other~~ county *other* than that in which the subpoena is served.

~~(3) In case such affidavit shows the residence of the person making the same to be in any county other than that in which it is taken or the statement discloses property in any county other than that in which it is made, the department must, in the respective case, file the affidavit or statement in its office and transmit a copy of the same, certified by it, to its agent in the county in which such residence or property is therein shown to be.~~"

Section 60. Section 15-8-307, MCA, is amended to read:

"**15-8-307. Land assessment.** (1) ~~Land~~ *Except as provided in subsection (2), land* must be assessed in parcels or subdivisions not exceeding 640 acres, and tracts of land containing more than 640 acres ~~which~~ *that* have been sectionized by the United States government must be assessed by sections or fractions of sections.

(2) If the department receives the written consent of all persons with an ownership interest, the department may assess multiple parcels or tracts of land with common ownership collectively as a single tract of land.

~~(2)~~*(3)* The department ~~of revenue or its agent must set aside one line in the assessment book for~~ *shall itemize in the property tax record* the description of each 640 acres of land or less, the number of acres ~~to be entered in one column~~, the description ~~in another column~~, *the* value ~~in another column~~ *of the land, the* value of improvements ~~in another column~~, and the total ~~in the total column~~ *value.* ~~It must also set aside a line in the assessment book for~~ *The property tax record must itemize* the description of each town or city lot~~, the description to be entered in one column~~ and the value of the lot and any improvements ~~thereon in another column~~ *on the lot*, except that a lot and improvements ~~thereon shall~~ *must* be separately assessed when required under 15-8-111.~~; provided that~~ *If* all of the unimproved lots of the same value~~, situate~~ *are located* in one block or ~~belonging to~~ *are owned by* the same party, *the lots* may be described and assessed in ~~one line~~ *a single unit* in the manner ~~above provided~~ *prescribed* for each lot. ~~It is the intention hereby that each~~ *Each* parcel and lot ~~show in its own line and opposite~~ *must be segregated in the property tax record to correlate* the description ~~thereof~~ *of the parcel or lot to* the total value of the ~~same~~ *parcel or lot* and any improvements ~~thereon~~ *on the parcel or lot.*"

Section 61. Section 15-8-402, MCA, is amended to read:

"**15-8-402. Property of ~~a firm or corporation~~ *person.*** The property of every ~~firm and corporation~~ *person* must be assessed in the county where the property is ~~situate~~ *located* and must be assessed in the name of ~~the firm or corporation~~ *that person.*"

Section 62. Section 15-8-601, MCA, is amended to read:

"**15-8-601. Assessment revision — conference for review.** (1) (a) Except as provided in subsection (1)(b), whenever the department ~~of revenue~~ discovers that any taxable property of any person has in any year escaped assessment, been erroneously assessed, or been omitted from taxation, the department may assess the ~~same~~ *property* provided *that* the property is under the ownership or control of the same person who owned or controlled it at the time it escaped assessment, was erroneously assessed, or was omitted from taxation. All ~~such~~ revised assessments must be made within 10 years after the end of the calendar year in which the original assessment was or should have been made.

(b) Within the time limits set by 15-23-116, whenever the department discovers property subject to assessment under Title 15, chapter 23, that has escaped assessment, been erroneously assessed, or been omitted from taxation, the department may issue a revised assessment to the person, firm, or corporation who owned the property at the time it escaped assessment, was erroneously

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assessed, or was omitted from taxation, regardless of the ownership of the property at the time of the department's revised assessment.

(2) ~~Whenever~~ *When* the department ~~or its agent~~ proposes to ~~increase the valuation of locally assessed property above the value~~ *revise the statement* reported by the taxpayer under 15-8-301, the action of the department is subject to the notice and conference provisions of this section. Revised assessments of centrally assessed property are subject to review pursuant to 15-1-211.

(3) (a) Notice of revised assessment pursuant to this section ~~shall~~ *must* be made by the department ~~or its agent~~ by postpaid letter addressed to the person interested within 10 days after the revised assessment has been made. If the property is locally assessed, the notice ~~shall~~ *must* include *the* opportunity for a conference on the matter, at the request of the person interested, ~~not less than~~ *within* 15 ~~or more than 30~~ days after notice is given.

(b) An assessment revision review conference is not a contested case as defined in the Montana Administrative Procedure Act. The department shall keep minutes in writing of each assessment *revision* review conference, ~~which~~ *and the minutes* are public records.

(c) Following an assessment *revision* review conference or expiration of *the* opportunity ~~therefor~~ *for a conference,* the department shall order ~~such~~ *an* assessment as it considers proper. Any party to the conference aggrieved by the action of the department may appeal to the county tax appeal board at its next meeting.

(4) The department ~~must record in a book to be kept for that purpose all changes, corrections, and orders made by it and must direct its agent to~~ *shall* enter ~~upon the assessment book~~ *in the property tax record* all changes and corrections made by it.

~~(5) Immediately upon receipt of a revised assessment, the county official possessing the assessment roll book shall enter the revised assessment. If the revised assessment corrects an original assessment, the previous entry shall be canceled upon order of the department.~~"

Section 63. Section 15-8-701, MCA, is amended to read:

"**15-8-701. ~~Assessment book~~ *Property tax record* — definition — listing property in.** (1) Unless the context clearly indicates otherwise, the term ~~"assessment book"~~ *"property tax record"* means the record *that is* kept in each county by ~~the agent of~~ the department ~~of revenue~~ and ~~which~~ *that* contains the information described in subsection ~~(3)~~ *(2)*. The term includes~~,~~ *records referred to as an "assessment book" or "assessment roll" and,* in a county ~~wherein the assessment book~~ *in which the property tax record* is kept on a computer system, the information on the system analogous to the information described in subsection ~~(3)~~ *(2)*.

~~(2) The form of the assessment book must be as directed by the department.~~

~~(3)~~*(2)* The department ~~must~~ *shall* prepare ~~an assessment book~~ *a property tax record* with appropriate headings, ~~alphabetically arranged,~~ in which must be listed all property within the state and in which must be specified, ~~in separate columns under the~~ *by an* appropriate ~~head~~ *heading*:

(a) the name of the person to whom the property is assessed;

(b) land~~, by township, range, section or fractional section, and when such land is not a United States land division or subdivision, by metes and bounds or other~~ description sufficient to identify it, ~~giving an estimate of the number of acres, not exceeding in each and every tract 640 acres,~~ *the* locality, and the improvements ~~thereon~~ *on the land*;

~~(c) city and town lots, naming the city or town and the number of the lot and block, according to the system of numbering in such city or town, and the value of same with improvements thereon;~~

~~(d)~~*(c)* all taxable personal property, showing the number, kind, amount, and quality; but a failure to enumerate in detail ~~such~~ *the* personal property does not invalidate the assessment;

~~(e)~~*(d)* the assessed value of real estate ~~other than city or town lots~~;

~~(f)~~*(e)* the assessed value of ~~city and town lots with~~ improvements ~~thereon~~ *on land*, except that ~~a lot~~ *land* and improvements ~~thereon shall~~ *must* be separately listed when required under 15-8-111;

~~(g)~~*(f)* the assessed value of improvements on real estate assessed to persons other than the owners of the real estate. Taxable improvements owned by a person, located upon land exempt from taxation, ~~shall~~ *must*, as to the manner of assessment, be assessed as other real estate ~~upon the assessment roll. No~~ *A* value~~, however,~~ may *not* be assessed against the exempt land, ~~nor under any circumstances may~~ *and* the land *may not* be charged with ~~or become~~ *and is not* responsible for the assessment made against any taxable improvements located ~~thereon~~ *on the land.*

~~(h)~~*(g)* the assessed value of all taxable personal property;

~~(i)~~*(h)* the school, road, and other revenue districts in which each piece of property assessed is situated;

~~(j)~~*(i)* the total assessed value of all property;

(j) the taxable value of all property;

(k) the taxes and fees assessed against the property; and

(l) the total of each type of tax, levy, and fee."

Section 64. Section 15-8-702, MCA, is amended to read:

"15-8-702. Persons desiring to be listed. Lands ~~once~~ described on the ~~assessment book~~ *property tax record do not* need ~~not~~ *to* be described a second time, but any person claiming the ~~same~~ *land* and desiring to be assessed ~~therefor~~ *for the land* may have the person's name inserted with that of the person to whom ~~such~~ *the* land is assessed."

Section 65. Section 15-8-704, MCA, is amended to read:

"15-8-704. Map book. The department ~~of revenue must~~ *shall* make ~~a plat of the various blocks within any incorporated city or town in a map book and~~

~~mark thereon in each subdivision the name of~~ *maps showing public and private land for each county and shall designate* the person to whom ~~it~~ *the land* is assessed."

Section 66. Section 15-8-707, MCA, is amended to read:

"15-8-707. Correction of defects in ~~form of assessment book~~ *property tax record.* (1) At any time after the original assessment is made and prior to a sale for delinquent taxes, omissions, errors, or defects in ~~form in~~ the ~~assessment book~~ *property tax record* may *only* be corrected by the~~:~~

~~(a)~~ department ~~of revenue or its agent; or~~

~~(b) county assessor or county treasurer with verification from the department.~~

(2) If the correction involves an assessment of property that is the subject of pending litigation *with a taxing jurisdiction within the county,* the ~~consent of the~~ county attorney must be ~~obtained before any~~ *notified of the* correction ~~may be made.~~"

Section 67. Section 15-8-709, MCA, is amended to read:

"15-8-709. Statement of changes to be sent to county clerk *and recorder.* The department ~~of revenue~~ shall ~~transmit to~~ *notify* each county clerk *and recorder* ~~a statement~~ of the changes made by the department in the ~~assessment book~~ *property tax record* of the county or any assessment contained ~~therein~~ *in the property tax record,* which ~~shall be~~ *changes are* prima facie evidence of the regularity of all proceedings of the department resulting in the action ~~which~~ *that* is the subject matter of the statement."

Section 68. Section 15-8-710, MCA, is amended to read:

"15-8-710. ~~Assessment and delinquent books~~ *Property tax record* prima facie evidence. The ~~assessment book~~ *property tax record* or delinquent list or a copy ~~thereof~~ *of either* certified by the county ~~clerk and recorder~~ *treasurer* showing unpaid taxes against any person or property is prima facie evidence of the assessment, the property assessed, the delinquency, the amount of taxes due and unpaid, and that all the forms of the law in relation to the assessment and levy of ~~such~~ *the* taxes have been complied with."

Section 69. Section 15-9-101, MCA, is amended to read:

"15-9-101. Department to equalize valuations — hearing. (1) The department ~~of revenue~~ shall adjust and equalize the valuation of taxable property among the several counties, ~~and~~ *between* the different classes of taxable property in any county and in the several counties, and between individual taxpayers~~; supervise and review the acts of agents of the department; change, increase, or decrease valuations made by its agents;~~ and ~~exercise such authority and~~ *shall* do all things necessary to secure a fair, just, and equitable valuation of all taxable property among counties, between the different classes of property, and between individual taxpayers.

(2) The department may hold a public hearing to determine the value of any class of property in any county and ~~shall have authority to~~ *may* raise or

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lower the value of any class of property on the basis of testimony ~~adduced~~ at ~~such~~ *the* hearing.

(3) ~~Upon~~ *At* the hearing ~~of the application~~, the department may subpoena ~~such~~ witnesses~~;~~ *and* hear and take ~~such~~ evidence ~~in relation to the subject pending~~ as in its discretion it ~~may deem~~ *considers* proper."

Section 70. Section 15-9-103, MCA, is amended to read:

"15-9-103. Department to use records in equalizing. The department ~~of revenue must~~ *shall* use the abstract and all other information it may gain from the records of the county clerk *and recorder* or elsewhere in equalizing the assessment of the property of each county and ~~may require entry upon the assessment book of~~ *shall enter in the property tax record* any property ~~which~~ *that* has not been assessed. ~~Any assessment made as prescribed in this section has the same force and effect as if made before the delivery of the assessment book to the county clerk.~~"

Section 71. Section 15-10-202, MCA, is amended to read:

"15-10-202. Certification of taxable values and millage rates. ~~At the time that the assessment roll is prepared and published~~ *By the second Monday in July*, the department ~~of revenue or its agent~~ shall certify to each taxing authority the taxable value within the jurisdiction of the taxing authority. The department ~~or its agent~~ shall also send to each taxing authority a written statement of its best estimate of the total assessed value of all new construction and improvements not included on the previous ~~assessment roll~~ *property tax record* and the value of deletions from the previous ~~assessment roll~~ *property tax record*. Exclusive of new construction, improvements, and deletions, the department ~~or its agent~~ shall certify to each taxing authority a millage rate ~~which~~ *that* will provide the same ad valorem revenue for each taxing authority as was levied during the prior year. For the purpose of calculating the certified millage, the department ~~or its agent~~ shall use 95% of the taxable value appearing on the ~~roll~~ *property tax record*, exclusive of properties appearing for the first time ~~on the assessment roll~~ *in the property tax record*."

Section 72. Section 15-10-203, MCA, is amended to read:

"15-10-203. Increase of tax revenue — advertisement of intention and public hearing required. (1) ~~No~~ *A* local taxing authority may *not* budget an increased amount of ad valorem tax revenue in excess of the property tax revenue it received the previous fiscal year exclusive of revenue from ad valorem taxation on properties appearing for the first time on the ~~assessment roll~~ *property tax record* unless it adopts a resolution to budget additional property tax revenue. Prior to adoption of the resolution, the taxing authority shall hold a public hearing for the purpose of receiving comments on its intention to budget increased property tax revenue. The taxing authority shall advertise notice of the public hearing as specified in subsection (2). The public hearing may be held in conjunction with the tentative budget hearing or any other budget hearing that may be required by law.

(2) The taxing authority shall advertise its intent to budget an increase in property tax revenue in a newspaper meeting the requirements of 7-1-4127, except *that* the newspaper may not be primarily in the business of publishing

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legal advertisements. If there is no newspaper in the county, in addition to being posted as required in 7-1-4127, the advertisement must be published in one or more newspapers of general circulation widely subscribed to by the residents of the county. The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The advertisement must meet the notice requirements of 7-1-4128. The advertisement must be published with at least the following information:

NOTICE OF BUDGET INCREASE FROM PROPERTY TAXES

The (name of the taxing authority) intends to budget an increase in revenue from property taxation by (percentage of increase in property tax revenue from previous fiscal year) percent.

All concerned persons are invited to attend a public hearing on budgeting the increased property tax revenue to be held on (date and time) at (meeting place).

A decision on budgeting the increased property tax revenue will be made after considering comments made at this hearing.

For further information please contact: (name, address, and phone number of person who can be contacted for further information)."

Section 73. Section 15-10-205, MCA, is amended to read:

"**15-10-205. Approval and copies of resolution or ordinance.** The resolution or ordinance approved in the manner provided for in this part ~~shall~~ *must* be forwarded to the ~~assessor,~~ *county* treasurer~~,~~ and the department ~~of revenue. No millage~~ *Millage* in excess of the department's certified millage ~~can~~ *may not* be levied until the resolution or ordinance to levy required in ~~subsections (1) and (2) of~~ 15-10-204 is approved by the governing board of the taxing authority and submitted to the ~~assessor and the~~ department."

Section 74. Section 15-10-206, MCA, is amended to read:

"**15-10-206. Exceptions for decisions of tax appeal boards.** The department ~~or its agent~~ shall notify each taxing authority of any change in the ~~assessment roll which~~ *property tax record that* results from actions by the state or county tax appeal boards. An increase in the taxing authority's millage above ~~that~~ *the millage* certified by the department ~~or its agent~~ or adopted by resolution or ordinance of the governing body of the taxing authority ~~which~~ *that* is required solely by a reduction of the ~~assessment roll~~ *property tax record* by the state or county tax appeal board may be adopted without further notice."

Section 75. Section 15-10-305, MCA, is amended to read:

"**15-10-305. ~~Department~~ *Clerk and recorder to report mill levy — department* to compute and enter taxes ~~— affidavit~~.** *(1) The county clerk and recorder shall by the third Monday in August notify the department of the number of mills needed to be levied for each taxing jurisdiction in the county.* The department ~~of revenue or its agent must then~~ *shall* compute *the taxes by multiplying the number of mills times the taxable value of the property to be taxed and shall add any fees or assessments required to be levied against a person owning property. All taxes, fees, and assessments must be itemized for the*

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property listed in the property tax record. ~~and enter in a separate money column in the assessment book the respective sums in dollars and cents, rejecting the fractions of a cent, to be paid as a tax on the property therein enumerated and foot up the columns showing the total amount of such taxes and the columns of total value of property in the county and shall attach thereto his affidavit, by him subscribed as follows and shall on or before the second Monday of October deliver the completed assessment book to the county clerk and recorder:~~

~~"I, ..., an agent of the department of revenue, do swear that I have reckoned the respective sums due as taxes and have added up the columns of valuations, taxes, and acreage as required by law, and the assessment book to which this affidavit is affixed is full, true, and correct and made in the manner prescribed by law.".~~

(2) The department shall complete the computation of the amount of taxes, fees, and assessments to be levied against the property and shall notify the county clerk and recorder and the county treasurer by the second Monday in October."

Section 76. Section 15-15-101, MCA, is amended to read:

"15-15-101. County tax appeal board — meetings and compensation. (1) The board of county commissioners of each county shall appoint a three-member county tax appeal board, with the members to serve staggered terms of 3 years each. The members of each county tax appeal board ~~shall~~ *must* be residents of the county in which they serve. ~~They shall~~ *The members* receive compensation of $45 a day and travel expenses, as provided for in 2-18-501 through 2-18-503, only when the county tax appeal board is in session to hear taxpayers' appeals from property tax assessments or when they are attending meetings called by the state tax appeal board. Travel expenses and compensation must be paid from the appropriation to the state tax appeal board. Office space and equipment for the county tax appeal boards must be furnished by the county. All other incidental expenses must be paid from the appropriation of the state tax appeal board.

(2) The county tax appeal board shall hold an organizational meeting each year on the date of its first scheduled hearing, immediately before conducting the business for which the hearing was otherwise scheduled. It ~~must~~ *shall* continue in session from time to time to hear protests concerning assessments made by the department ~~of revenue~~ until the business of hearing protests is disposed of, but, except as provided in 15-2-201, not later than 60 days after the department ~~of revenue or its agent~~:

(a) has mailed notice of classification and appraisal to all property owners and purchasers under contracts for deed as required in 15-7-102; and

(b) has notified the county tax appeal board that classification and appraisal notices have been mailed to all property owners and purchasers under contracts for deed.

(3) In connection with an appeal, the county tax appeal board may change any assessment or fix the assessment at some other level. The county clerk *and recorder* shall publish a notice to taxpayers, giving the time the county tax appeal board will meet to hear protests concerning assessments and the latest date the county tax appeal board may take applications for the hearings. The

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notice must be published in a newspaper if any is printed in the county or, if none, then in the manner that the county tax appeal board directs. The notice must be published at least 7 days prior to the first meeting of the county tax appeal board.

(4) Challenges to a department ~~of revenue~~ rule governing the assessment of property or to an assessment procedure apply only to the taxpayer bringing the challenge and may not apply to all similarly situated taxpayers unless an action is brought in the district court as provided in 15-1-406."

Section 77. Section 15-15-102, MCA, is amended to read:

"15-15-102. Application for reduction in valuation. The valuation of property may not be reduced by the county tax appeal board unless either the taxpayer or the taxpayer's agent makes and files a written application for reduction with the county tax appeal board. The application must be filed on or before the first Monday in June or 15 days after receiving either a notice of classification and appraisal or determination after review under 15-7-102(3) from the department ~~of revenue or its agent~~, whichever is later. If the department's determination after review is not made in time to allow the county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the next tax year, but the decision by the county tax appeal board is effective for the year in which the request for review was filed with the department. The application must state the post-office address of the applicant, specifically describe the property involved, and state the facts upon which it is claimed the reduction should be made."

Section 78. Section 15-15-103, MCA, is amended to read:

"15-15-103. Examination of applicant — failure to hear application. (1) Before the county tax appeal board grants any application or makes any reduction applied for, it ~~must~~ *shall* examine on oath the person or agent making the application, touching the value of the property of each person. ~~No~~ *A* reduction ~~must~~ *may not* be made unless ~~such person or agent~~ *the applicant* makes an application, as provided in 15-15-102, and attends and answers all questions pertinent to the inquiry. The testimony of all witnesses ~~upon such~~ *at the* hearing must be taken in shorthand or by stenotype or electronically recorded and preserved for 1 year. If the decision of the county tax appeal board is appealed, all testimony must be transcribed or otherwise reduced to writing and forwarded, together with all exhibits, to the state tax appeal board. The date of hearing, the proceedings before the board, and the decision must be entered upon the minutes of the board, and the board shall notify the applicant of its decision by mail within 3 days thereafter. A copy of the minutes of the county tax appeal board must be transmitted to the state tax appeal board no later than 3 days after the board holds its final hearing of the year.

(2) If a county tax appeal board refuses or fails to hear a taxpayer's timely application for a reduction in valuation of property, the taxpayer's application is considered to be granted on the day following the board's final meeting for that year. The ~~county treasurer~~ *department* shall enter the appraisal or classification sought in the application in the ~~assessment book~~ *property tax record.* An application is not automatically granted for the following appeals:

(a) those listed in 15-2-302; and

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(b) if a taxpayer's appeal from the department's determination of classification or appraisal made pursuant to 15-7-102 was not received in time, as provided for in 15-15-102, to be considered by the board during its current 60-day session."

Section 79. Section 15-16-101, MCA, is amended to read:

"15-16-101. Treasurer to publish notice — manner of publication. (1) Within 10 days after the receipt of the ~~assessment book~~ *property tax record*, the county treasurer ~~must~~ *shall* publish a notice specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on *the next* November 30 ~~next thereafter~~ or within 30 days after the notice is postmarked and that unless paid prior to that time the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from ~~and after such~~ *the time of* delinquency until paid and 2% will be added to the delinquent taxes as a penalty;

(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on *the next* May 31 ~~next thereafter~~ and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6 of 1% per month from ~~and after such~~ *the time of* delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

(c) the time and place at which payment of taxes may be made.

(2) ~~He must~~ *The county treasurer shall* send to the last-known address of each taxpayer *a* written notice, postage prepaid, showing the amount of taxes and assessments due *for* the current year and the amount due and delinquent for other years. The written notice ~~shall~~ *must* include:

(a) the taxable value of the property;

(b) the total mill levy applied to that taxable value;

(c) the value of each mill in that county;

(d) itemized city services and special improvement district assessments collected by the county;

(e) the number of the school district in which the property is located; and

(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district tax, and other tax.

(3) The municipality shall, upon request of the county treasurer, provide the information to be included under subsection (2)(d) ready for mailing.

(4) The notice in every case must be published once a week for 2 weeks in a weekly or daily newspaper published in the county, if there is one, or if there is not, then by posting it in three public places. Failure to publish or post notices does not relieve the taxpayer from any ~~of his liabilities~~ *tax liability*. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax."

Section 80. Section 15-16-104, MCA, is amended to read:

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"15-16-104. Entry of payment — receipt. (1) The county treasurer ~~must~~ *shall* note the date and the amount of the payment of any tax in the ~~assessment book~~ *property tax record* opposite the name of the person paying.

(2) (a) Except as provided in subsection (2)(b), ~~he must~~ *the county treasurer shall* give a receipt to the person paying any tax, specifying the amount of the assessment and the tax paid, with a description of the property assessed.

(b) If the payment is received through the mail or by any electronic means, the county treasurer ~~must~~ *shall* issue a receipt only on request of the person paying the tax. If the county treasurer issues a receipt, it must contain the information specified in subsection (2)(a)."

Section 81. Section 15-16-105, MCA, is amended to read:

"15-16-105. When property assessed more than once. When the *county* treasurer discovers that any property has been assessed more than once for the same year, ~~he must~~ *the county treasurer shall* collect only the tax ~~justly~~ due and ~~make return of the facts under affidavit to the county clerk and recorder~~ *report that fact to the department.*"

Section 82. Section 15-16-115, MCA, is amended to read:

"15-16-115. Treasurer's record of personal property taxes paid. (1) On or before December 1 of each year, the *county* treasurer shall note on the ~~assessment book~~ *property tax record,* opposite the name of each person from whom taxes have been collected ~~by him in pursuance of the report of the assessor~~, the amount of taxes received and the date of receipt.

(2) If the taxes have not been collected, the treasurer shall note in the ~~assessment book~~ *property tax record* the reason why collection was not made."

Section 83. Section 15-16-117, MCA, is amended to read:

"15-16-117. Personal property — treasurer's duty to collect certain taxes. (1) The county treasurer shall demand payment of poor fund taxes, authorized by 53-2-322, and road taxes, authorized by 7-14-2206 or 7-14-2501 through 7-14-2504, of every person liable for the taxes whose name does not appear on the ~~assessment lists~~ *property tax record.* On the neglect or refusal of a person to pay the taxes, the treasurer shall collect the taxes by seizure and sale of any property owned by the person.

(2) These taxes must be added ~~upon the assessment lists~~ *in the property tax record* to other property taxes of persons paying taxes upon real and personal property and *must be* paid to the county treasurer at the time of payment of other taxes.

(3) The procedure for the sale of property by the county treasurer for the taxes ~~must be~~ *is* regulated by ~~15-16-113~~ *[section 157]* and 15-17-911.

(4) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 84. Section 15-16-203, MCA, is amended to read:

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"**15-16-203. Assessment of property previously exempt.** (1) Real property or improvements exempt from taxation under Title 15, chapter 6, that during a ~~taxable~~ *tax* year become the property of a person subject to taxation must be assessed and taxed from the date of change from a nontaxable status to a taxable status.

(2) As provided in subsection (3), the county treasurer shall adjust the tax that would have been due and payable for the current year on the property under 15-16-102 ~~had~~ *if* the property *was* not ~~been~~ exempt.

(3) To determine the amount of tax due for previously exempt property, the county treasurer shall multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property will be in taxable status bears to 365.

(4) If the property has not been assessed and taxed during the taxable year because of exemption, the department ~~of revenue or its agent~~ shall prepare a special assessment for the property and the county treasurer shall determine the amount of taxes that would have been due under subsection (2).

(5) Upon determining the amount of tax due, the county treasurer shall notify the person to whom the tax is assessed, in the same manner as notification is provided under 15-16-101(2), of the amount due and the date or dates on which the taxes due are payable as provided in 15-16-102."

Section 85. Section 15-16-302, MCA, is amended to read:

"**15-16-302. Tabulation and transmittal of real property delinquent list.** (1) The county treasurer ~~must~~ *shall*, at the time specified in 15-16-301, deliver to the county clerk and recorder a complete delinquent list of all persons ~~and property then~~ owing taxes *and the property on which the taxes are owed.*

(2) In the list ~~so delivered~~, all matters and things contained in the ~~assessment book and~~ *property tax record* relating to delinquent persons or property must be set down in numerical or alphabetical order.

(3) The county clerk and recorder ~~must~~ *shall* carefully compare the list with the ~~assessment book~~ *property tax record*, and if satisfied that ~~it~~ *the list* contains a full and true statement of all taxes due and unpaid, ~~he must~~ *the county clerk and recorder shall* total the amount of taxes remaining unpaid, credit the county treasurer ~~therewith~~ *with that amount*, make a final settlement with the treasurer of all taxes charged against the treasurer on the ~~assessment book~~ *property tax record*, and require from the treasurer an immediate account for any existing deficiency."

Section 86. Section 15-16-305, MCA, is amended to read:

"**15-16-305. Disposition of delinquent list.** (1) On the third Tuesday of February, the county clerk and recorder ~~must~~ *shall* compare the lists with the assessments of persons and property not ~~marked~~ *shown as* "paid" on the ~~assessment book~~ *property tax record.* If the taxes have been paid, the county clerk and recorder ~~must~~ *shall* note the fact in the appropriate ~~column in the assessment book~~ *section of the property tax record.*

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(2) The county clerk and recorder ~~must~~ *shall* then administer to the county treasurer an oath, to be written and subscribed in the delinquent list, that every person and all property assessed in the delinquent list on which taxes have been paid have been credited in the list with ~~such~~ *the* payment.

(3) The county clerk and recorder ~~must~~ *shall* then total the amount of taxes remaining unpaid and credit the treasurer with the amount and have a final settlement with the treasurer. The delinquent list must remain in the county clerk and recorder's office.

(4) At the time mentioned in subsection (1) ~~of this section~~, the treasurer ~~must~~ *shall* make an affidavit, endorsed on the list, that the taxes not marked "paid" have not been paid and that ~~he~~ *the treasurer* has not been able to discover any property belonging to or in possession of the persons liable to pay the ~~sum whereof~~ *taxes* to collect them."

Section 87. Section 15-16-402, MCA, is amended to read:

"15-16-402. Tax on personal property lien on realty — separate assessment — filing of mortgage satisfaction. (1) The tax due ~~upon~~ *on* personal property is a prior lien upon ~~any or all of~~ the personal property. The lien has precedence over any other lien, claim, or demand upon the personal property. Except as provided in subsection (2), the tax ~~upon~~ *on* personal property is also a lien upon the real property of the owner ~~thereof~~ *of the personal property* on and after January 1 of each year.

(2) The taxes ~~upon~~ *on* personal property based ~~upon~~ *on* a taxable value up to and including $10,000 are a first and prior lien upon the real property of the owner of the personal property. Taxes ~~upon~~ *on* personal property based ~~upon the~~ *on a* taxable value ~~thereof~~ in excess of $10,000 are a first and prior lien upon the real property of the owner unless the owner or holder of any mortgage or other lien upon the real property appearing of record in the office of the clerk and recorder of the county where the real property is situated, at or before the time the personal property tax attached ~~thereto~~ *to the real property*, has filed a notice as provided in subsection (3). If the notice is filed, the personal property taxes ~~upon~~ *on* the taxable value in excess of $10,000 are not a lien ~~on~~ *upon* the owner's real property. The county treasurer shall, at the request of a mortgagee or lienholder, issue a statement of the personal property tax due ~~upon~~ *on* the taxable value up to and including $10,000. Personal property taxes ~~upon~~ *on* a taxable value up to $10,000 may be paid, redeemed from a tax sale as ~~by law~~ provided *by law*, or discharged separately from any personal property taxes in excess of ~~such~~ *that* amount. Payment of the taxes ~~upon~~ *on* a taxable value up to $10,000, as provided in this subsection, ~~shall operate to~~ discharge the tax lien upon the personal property of the owner to the extent of ~~such~~ *the* payment in the order that the person paying ~~such~~ *the* tax ~~shall direct~~ *directs*.

(3) The holder of any mortgage or lien upon real property who desires to obtain the benefits of this section shall file each year in the office of the county treasurer of ~~said~~ *the* county *and with the department* a notice giving:

(a) the name and address of the mortgagee and holder of the mortgage or lien;

(b) the name of the reputed owner of the land;

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(c) the description of the land;

(d) the date of record and expiration of the mortgage or lien;

(e) the amount ~~thereof~~ *of the mortgage or lien*; and

(f) a statement that ~~he~~ *the holder* claims the benefit of the provisions of this section.

(4) ~~Such~~ *The* notice ~~shall be~~ *is* ineffectual as to any taxes ~~which shall have become~~ *that are* a lien ~~on~~ *upon* real property prior to the filing of ~~such~~ *the* notice as provided in subsection (3).

(5) ~~Any owner~~ *A holder* of a mortgage on real property upon which personal property taxes are ~~by~~ *a lien under* this section ~~made a lien~~, ~~where~~ *when* the owner of ~~such~~ *the* real property and personal property has failed to pay taxes due ~~upon such~~ *on the* real property and personal property for 1 or more years, may file with the department ~~of revenue or its agent in the county in which such property is located~~ a written request to have the personal property and real property of the owner separately assessed. ~~Such~~ *The* request must be made by ~~registered or~~ certified mail at least 10 days prior to January 1 in the year for which property is assessed. Upon receipt by the department ~~or its agent~~ of ~~such~~ *the* request, ~~it is the duty of~~ the department ~~or its agent to~~ *shall* make a separate assessment of real and personal property of the owner ~~thereof~~ *of the property*, and ~~such~~ *the* personal *property* taxes ~~shall~~ *may* not be a lien upon the *mortgaged* real property ~~so mortgaged of the owner thereof, and the~~. *The* personal property taxes ~~shall~~ *must* be collected in the manner provided by law for other personal property.

(6) The holder of a mortgage or lien upon real property who files a certificate of satisfaction and the proof and acknowledgment ~~thereof~~ *of filing the certificate*, as provided for in 71-1-211, shall file a copy of the certificate and the proof and acknowledgment with:

(a) the county treasurer if the holder has filed a notice under subsection (3); and

(b) the department ~~of revenue or its agent in the county in which the real property is located~~ if the holder has filed a written request under subsection (5).

(7) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 88. Section 15-16-504, MCA, is amended to read:

"15-16-504. Evidence at trial. On ~~the~~ trial, a certified copy of the assessment signed by the county clerk and recorder of the county where the assessment was made, with the affidavit of the *county* treasurer ~~thereto attached~~ that the tax has not been paid *attached to the copy*, describing ~~it~~ *the assessment* as on the ~~assessment book~~ *property tax record* or delinquent list, is prima facie evidence that the taxes, plus interest, penalties, and costs, are due and entitles ~~him~~ *the county* to judgment unless the defendant proves that the tax was paid."

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Section 89. Section 15-16-611, MCA, is amended to read:

"15-16-611. Reduction of property tax for property destroyed by natural disaster — proration of taxes on replaced property. (1) The department ~~of revenue~~ shall, upon showing by a taxpayer that some or all of the improvements on ~~his~~ *the taxpayer's* real property, ~~or~~ *that* a trailer or mobile home, or that personal property taxed under Title 15, chapter 6, part 1, has been destroyed to such an extent that the improvements or personal property has been rendered unsuitable for its previous use by natural disaster, adjust the taxable value on the property, accounting for the destruction.

(2) The county treasurer shall adjust the tax due and payable for the current year on the property under 15-16-102 or on personal property under ~~15-16-113~~ *[section 157]* or 15-24-202 as provided in subsection (3) of this section.

(3) To determine the amount of tax due for destroyed property, the county treasurer shall:

(a) multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property existed before destruction bears to 365; and

(b) multiply the amount of tax levied and assessed on the adjusted taxable value of the property for the remainder of the year by the ratio that the number of days remaining in the year after the destruction of the property bears to 365.

(4) This section does not apply to delinquent taxes owed on the destroyed property for a year prior to the year in which the property was destroyed.

(5) A taxpayer receiving a reduction in taxes on personal property under this section shall notify the department if ~~he~~ *the taxpayer* replaces the destroyed personal property in the same tax year that the personal property was destroyed. The tax on the personal property replacing the destroyed personal property must be prorated according to the ratio that the number of days remaining in the year after the property was replaced bears to 365. A taxpayer who fails to notify the department within 30 days from the date of the replacement of the personal property is subject to the penalty prescribed in 15-1-303.

(6) For the purposes of this section, "natural disaster" includes but is not limited to fire, flood, earthquake, or wind. A fire is considered a natural disaster regardless of the origin of the fire. However, if the taxpayer is convicted of arson for burning the property, property taxes may not be adjusted. If ~~they~~ *the taxes* had already been adjusted prior to the conviction, the original amount must be collected."

Section 90. Section 15-17-124, MCA, is amended to read:

"15-17-124. Irregular assessment. If the county treasurer discovers, prior to the tax sale, that property on which the taxes are delinquent has been irregularly assessed, ~~he~~ *the county treasurer* may not offer the property or a property tax lien for sale. ~~In such event, the~~ *The* taxes on the property must be listed on the ~~assessment book~~ *property tax record* as uncollected for the year in which they were due, and they must be assessed and collected during the succeeding year as taxes are regularly assessed and collected."

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Section 91. Section 15-17-317, MCA, is amended to read:

"15-17-317. Municipality as purchaser. Whenever property *that* has been struck off to the county at a tax sale under 15-17-214~~,~~ is subject to the lien of delinquent special assessments~~,~~ and has not been assigned under 15-17-214 or 15-17-323~~,~~ at the request of the municipality, the county treasurer shall assign all of the rights of the county acquired ~~therein~~ *in the property* at the sale to the municipality upon payment of any delinquent taxes (excluding assessments) and costs, without penalty or interest. The duplicate certificate of sale must be delivered to the treasurer of the municipality ~~and filed by him in his office~~, *who shall file it.* ~~No~~ *A* charge may *not* be made for the duplicate certificate when the municipality is the purchaser, and ~~in such case~~ the county treasurer shall make an entry "sold to the municipality" on the ~~assessment book~~ *property tax record* opposite the tax~~, and he~~. *The county treasurer* must be credited with the delinquent amount ~~thereof~~ in the settlement. Property sold to the municipality must be held in trust by the municipality for the improvement fund into which the delinquent special assessments are payable."

Section 92. Section 15-17-911, MCA, is amended to read:

"15-17-911. Sale of personal property for delinquent taxes — fee — disposition of proceeds — unsold property. (1) The tax on personal property may be collected and payment enforced by the seizure and sale of any personal property in the possession of the person assessed. Seizure and sale are authorized at any time after the date the taxes become delinquent or by the institution of a civil action for its collection in any court of competent jurisdiction. A resort to one method does not bar the right to resort to any other method. Any of the methods provided may be used until the full amount of the tax is collected.

(2) The provisions of ~~15-16-113~~ *[section 157]* and this section apply to a seizure and sale under subsection (1).

(3) A sale under subsection (1) must be at public auction.

(4) For seizing and selling personal property, the *county* treasurer shall charge $25, plus the mileage allowance provided by law to the sheriff, plus reasonable expenses for seizing, handling, keeping, or caring for any property seized. The charge and other costs may be charged only when property is actually seized and offered for sale or sold.

(5) On payment of the price bid for any property sold as provided in this section, delivery of the property, with a bill of sale, vests the title of the property in the purchaser.

(6) (a) After sale of the property, the proceeds of the sale must be used first to reimburse the county for all costs and charges incurred in seizing the property and conducting the sale. Any excess, up to the total amount of the taxes owed, must be distributed proportionally to the funds that would have received the taxes if they had been paid before becoming delinquent. Any remaining excess, up to the amount of the penalty and interest owed, must then be distributed proportionally to the fund that would have received the penalty and interest if they had been paid in full.

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(b) Any money collected in excess of the delinquent tax, penalties, interest, costs, and charges must be returned to the person owning the property prior to the sale, if known. If the person does not claim the excess immediately following the sale, the treasurer shall deposit the money in the county treasury for a period of 1 year from the date of sale. If the person has not claimed the excess within 1 year from the date of sale, the county treasurer shall deposit the amount in the county general fund and the person has no claim to it.

(7) Any property seized for the purpose of liquidating a delinquency by a tax sale that remains unsold following a sale may be left at the place of sale at the risk of the owner.

(8) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17.

(9) The county commission, in its discretion, may cancel any personal property taxes, including penalty, interest, costs, and charges that remain unsatisfied after the property upon which the taxes were assessed had been seized and sold. If the taxes are canceled, one copy of the order of cancellation must be filed with the county clerk *and recorder* and one copy with the county treasurer."

Section 93. Section 15-18-412, MCA, is amended to read:

"15-18-412. Procedure in tax deed quiet title action. (1) Upon the hearing of the order to show cause, the court has jurisdiction to determine the amount to be deposited and to make an order that the same be paid to the court within a period not exceeding 30 days after the order is made.

(2) (a) Except as provided in subsections (2)(b) and (2)(c), if the amount is not paid within the time fixed by the court, the true owner is considered to have waived any defects in the tax proceedings and any right of redemption. In the event of waiver, the true owner has no claim of any kind against the state or purchaser and a decree must be entered in the action quieting the title of the purchaser as against the true owner.

(b) The proceedings are void if the taxes were not delinquent or have been paid.

(c) A deposit is not required if the true owner is found by the court to be indigent following an examination into the matter by the court upon the request of a true owner claiming to be indigent.

(3) If payment is made to the court and the true owner is successful in the action and the tax proceedings are declared void, the amount deposited with the court must be paid to the purchaser.

(4) If the purported true owner is not successful in the action and the title of the purchaser is sustained, the money must be returned to the purported true owner.

(5) In any action brought by a purchaser to quiet title, several tracts of land, whether contiguous or noncontiguous or owned by different defendants, may be set forth in one complaint. All persons claiming any title to, interest in, or lien

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upon any of the premises or any part ~~thereof~~ *of the premises* may be joined as defendants, even though their claims are independent, are not in common, and do not cover the same tracts. The procedure in ~~such an~~ *the* action must follow, as nearly as practicable, the procedure specified in 70-28-101 through 70-28-109.

(6) In the final judgment, the court shall also determine the rights resulting from any additional taxes on the property accruing or being paid by either party during the pendency of the suit.

(7) In the quiet title action, the court has complete jurisdiction to fix the amount of taxes that should have been paid, including penalties, interest, and costs, and to determine all questions necessary in granting full relief, including the power to order ~~any assessor~~ *the department* or *any* ~~other~~ tax officer to make and certify to the court a corrected or new assessment or to do any other act necessary to enable the court to do complete justice. Errors may be reviewed on appeal from the final judgment."

Section 94. Section 15-23-104, MCA, is amended to read:

"**15-23-104. Failure to file — estimate by department — penalty.** (1) If any person fails to file a report or return within the time established in 15-23-103 or by ~~such~~ *a* later date *approved by* ~~as~~ the department ~~may approve~~, the department shall estimate the value of the property ~~to~~ *that should* have been reported on the basis of the best available information. In estimating the value of the net proceeds of mines, the department shall proceed under 15-23-506, and in estimating the value of the gross proceeds of coal mines, the department shall proceed under 15-35-107. In estimating the value of all other property subject to assessment under parts 2 through 4 of this chapter, the department shall proceed under 15-1-303. In estimating value under this section, the department may subpoena a person or ~~his~~ *the person's* agent as specified in 15-1-302. An assessment pursuant to parts 5 through 8 of this chapter based on estimated value or imputed value is subject to review under 15-1-211. ~~Each~~ *For each* month or part of a month *that* a report is delinquent, the department shall impose and collect a $25 penalty, *with* the total not to exceed $200, and shall deposit ~~such~~ *the* penalty to the credit of the general fund. The department ~~will also inform its agents in the counties of the delinquency, and, except as provided in subsection (2), the agents~~ shall assess a penalty of 1% of the tax due for each month or part of a month *that* the report is delinquent. *The department shall notify the county treasurer of each affected county of the amount of the penalty, and the treasurer shall collect the penalty in the same manner as the taxes to which the penalty applies.*

(2) For a delinquency in reporting under 15-23-212, the department shall assess a penalty of 1% of the tax due for each month or part of a month that the report is delinquent."

Section 95. Section 15-23-106, MCA, is amended to read:

"**15-23-106. ~~Transmission~~ *Report* to the counties.** (1) On or before July 1, the department shall ~~transmit to its agent in~~ *prepare for* each county a statement listing:

(a) the assessed value of railroad property, as determined under 15-23-202, apportioned to the county, including the length or other description of the property;

(b) the assessed value of utility property, as determined under 15-23-303, apportioned to the county, including the length or other description of the property;

(c) the assessed value of property of airline companies, as determined under 15-23-403, apportioned to the county; 90% of the value of the property of airline companies apportioned to any county by reason of a state airport being located in the county must be stated separately from the remaining assessed value of the property of airline companies apportioned to the county;

(d) the assessed value of the net proceeds and royalties from mines and oil and gas wells in the county, as determined under 15-23-503, 15-23-505, 15-23-515, 15-23-516, 15-23-517, 15-23-603, and 15-23-605; and

(e) the assessed value of the gross proceeds from coal mines, as described in 15-23-701.

(2) The ~~agent of the~~ department shall enter the *reported* assessed values ~~transmitted~~ in the ~~assessment book in a manner prescribed by the department~~ *property tax record for the county.*"

Section 96. Section 15-23-107, MCA, is amended to read:

"**15-23-107. Amended assessment ~~— transmission to counties.~~** Whenever the valuation of centrally assessed property is revised under 15-8-601 or 15-23-102(2), the department shall, within 15 days following the final decision or order, ~~transmit a statement of the revised assessment to its agent or the county officer then having custody of the assessment book in the~~ *enter the revision in the property tax record for each applicable* county ~~where the property is located. The revision shall be immediately entered in the assessment book.~~"

Section 97. Section 15-23-115, MCA, is amended to read:

"**15-23-115. Interest.** If the department determines that a taxpayer has incorrectly reported a value under 15-23-502, 15-23-515, 15-23-516, 15-23-517, 15-23-602, 15-23-701, or 15-23-802~~, the department shall inform its agents at the county level of the determination,~~ and if ~~any~~ *an* additional tax is due, there must be added to the tax until paid in full interest at the rate of 1% a month or fraction of a month from the date the original tax was due and payable. A taxpayer subject to imposition of interest pursuant to this section is not subject to the penalty and interest provisions contained in 15-16-102."

Section 98. Section 15-23-507, MCA, is amended to read:

"**15-23-507. Taxation and payment on royalty interests.** At the time of ~~transmitting~~ *computing* net proceeds assessments, the department ~~of revenue~~ shall also ~~transmit~~ *determine* the royalty lists or schedules ~~to the county assessor of~~ *for* each county in which ~~such~~ *the* mines and mining claims are located. ~~Thereupon the county assessor~~ *The department* shall prepare from ~~such~~ *the* net proceeds and royalty assessments a tax roll ~~which shall~~ *that must* be ~~by him~~ furnished to the county treasurer on or before *the following* September 15

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~~following, as specified in this section.~~ ~~Said~~ *Upon furnishing the tax roll, the* taxes ~~shall be~~ *are* due and payable. Assessments of royalty on production of metals and minerals other than petroleum and natural gas ~~shall~~ *must* be entered by the ~~county assessor~~ *department* in the ~~personal~~ property ~~assessment book~~ *tax record* in the name of the recipient or owner of ~~such~~ *the* royalty. The county treasurer shall ~~proceed to~~ give full notice ~~thereof~~ *of the assessment* to ~~such~~ *the* recipient or royalty owner and ~~to~~ *shall* collect the taxes ~~thereon~~ in the same manner as taxes on net proceeds of mines. Taxes on ~~such~~ *the* royalty assessments and taxes on net proceeds of mines ~~shall be~~ *are* payable at the times specified in 15-16-102, and any delinquencies in the payment ~~of same shall be~~ *are* subject to the interest and penalties provided in 15-16-102."

Section 99. Section 15-23-607, MCA, is amended to read:

"15-23-607. ~~County assessors~~ *Department* to compute taxes. (1) Immediately after the board of county commissioners has fixed tax levies on the second Monday in August, the ~~county assessor~~ *department* shall, subject to the provisions of 15-23-612, compute the taxes on net proceeds, as provided in subsection (2) of this section, and royalty assessments and shall ~~deliver the book~~ *transmit the computed taxes* to the county treasurer on or before September 15. The county treasurer shall proceed to give full notice of the assessments to the operator and shall collect the taxes as provided by law.

(2) For new production, as defined in 15-23-601, the ~~county assessor~~ *department* may not levy or assess any mills against the value of the new production, but shall instead levy a tax as follows:

(a) for new production of petroleum or other mineral or crude oil, 7% of net proceeds, as described in 15-23-603(2); or

(b) for new production of natural gas, 12% of net proceeds, as described in 15-23-603(2).

(3) The amount of tax levied in subsections (2)(a) and (2)(b), divided by the appropriate tax rate and multiplied by 60%, must be treated as taxable value for county bonding purposes.

(4) The operator or producer is liable for the payment of the taxes that, except as provided in 15-16-121, are payable by and must be collected from the operators in the same manner and under the same penalties as provided for the collection of taxes upon net proceeds of mines. However, the operator may ~~at his option~~ withhold from the proceeds of royalty interest, either in kind or in money, an estimated amount of the tax to be paid by ~~him~~ *the operator* upon the royalty or royalty interest. After the withholding, any deviation between the estimated tax and the actual tax may be accounted for by adjusting subsequent withholdings from the proceeds of royalty interests."

Section 100. Section 15-23-702, MCA, is amended to read:

"15-23-702. ~~Transmission~~ *Entry* of gross proceeds ~~to county assessor~~ *in property tax record.* On or before July 1 each year, the department shall ~~transmit to the county assessor of each county in which coal mines are situated~~ *enter* the valuation of the gross proceeds of ~~such~~ *coal* mines ~~for the purpose of taxation, as the same have been determined by the department~~ *in*

the property tax record for each county in which the mines are located. ~~The county assessor shall immediately enter the same upon a suitable assessment roll, the form of which shall be prescribed by the department.~~"

Section 101. Section 15-23-703, MCA, is amended to read:

"15-23-703. Taxation of gross proceeds — taxable value for bonding and guaranteed tax base aid to schools. (1) The ~~county assessor~~ *department* shall compute from the reported gross proceeds from coal a tax roll that ~~he shall transmit~~ *must be transmitted* to the county treasurer on or before September 15 each year. The ~~county assessor~~ *department* may not levy or assess any mills against the reported gross proceeds of coal but shall levy a tax of 5% against the value of the reported gross proceeds as provided in 15-23-701(1)(d). The county treasurer shall proceed to give full notice to each coal producer of the taxes due and to collect the taxes as provided in 15-16-101.

(2) For bonding, county classification, and all nontax purposes, the taxable value of the gross proceeds of coal is 45% of the contract sales price as defined in 15-35-102(5).

(3) Except as provided in subsection (6), the county treasurer shall calculate and distribute to the state, county, and eligible school districts in the county the amount of the coal gross proceeds tax, determined by multiplying the unit value calculated in 15-23-705 times the tons of coal extracted, treated, and sold on which the coal gross proceeds tax was owed during the preceding calendar year.

(4) Except as provided in subsections (5), (6), and (8), the county treasurer shall credit the amount determined under subsection (3) and the amounts received under 15-23-706:

(a) to the state and to the counties that levied mills in fiscal year 1990 against 1988 production in the relative proportions required by the levies for state and county purposes in the same manner as property taxes were distributed in fiscal year 1990 in the taxing jurisdiction; and

(b) to school districts in the county that either levied mills in school fiscal year 1990 against 1988 production or used nontax revenue, such as Public Law 81-874 money, in lieu of levying mills against production, in the same manner that property taxes collected or property taxes that would have been collected would have been distributed in the 1990 school fiscal year in the school district.

(5) (a) If the total tax liability in a taxing jurisdiction exceeds the amount determined in subsection (3), the county treasurer shall, immediately following the distribution from taxes paid on May 31 of each year, send the excess revenue, excluding any protested coal gross proceeds tax ~~revenues~~ *revenue*, to the department for redistribution as provided in 15-23-706.

(b) If the total tax liability in a taxing jurisdiction is less than the amount determined in subsection (3), the taxing jurisdiction is entitled to a redistribution as provided by 15-23-706.

(6) The board of county commissioners of a county may direct the county treasurer to reallocate the distribution of coal gross proceeds taxes that would have gone to a taxing unit, as provided in subsection (4)(a), to another taxing

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unit or taxing units, other than an elementary school or high school, within the county under the following conditions:

(a) The county treasurer shall first allocate the coal gross proceeds taxes to the taxing units within the county in the same proportion that all other property tax proceeds were distributed in the county in fiscal year 1990.

(b) If the allocation in subsection (6)(a) exceeds the total budget for a taxing unit, the commissioners may direct the county treasurer to allocate the excess to any taxing unit within the county.

(7) The board of trustees of an elementary or high school district may reallocate the coal gross proceeds taxes distributed to the district by the county treasurer under the following conditions:

(a) The district shall first allocate the coal gross proceeds taxes to the budgeted funds of the district in the same proportion that all other property tax proceeds were distributed in the district in fiscal year 1990.

(b) If the allocation under subsection (7)(a) exceeds the total budget for a fund, the trustees may allocate the excess to any budgeted fund of the school district.

(8) The county treasurer shall credit all taxes collected under this part from coal mines that began production after December 31, 1988, in the relative proportions required by the levies for state, county, and school district purposes in the same manner as property taxes were distributed in the previous fiscal year."

Section 102. Section 15-23-704, MCA, is amended to read:

"**15-23-704. Lien of tax — enforcement of payment.** The tax on gross proceeds from coal ~~shall~~ *must* be levied as taxes on other forms of property, and this tax and the severance tax on coal production are each a lien upon the coal mine and a prior lien upon all personal property and improvements used to produce the coal. These taxes may be collected by the seizure and sale of the personal property on which the tax is a lien as provided under ~~15-16-113~~ *[section 157]* and 15-17-911."

Section 103. Section 15-23-803, MCA, is amended to read:

"**15-23-803. Valuation — gross proceeds.** On or before July 1 each year, the department shall determine the merchantable value of all metal production from the previous calendar year. The department shall ~~transmit to its agent in each county where metals are produced~~ *record* the merchantable value ~~as has been determined by the department for placement on the assessment roll~~ *in the property tax record* after subtracting ~~such~~ *the* portion of the proceeds ~~as may be~~ exempt from property taxation."

Section 104. Section 15-23-804, MCA, is amended to read:

"**15-23-804. Taxation of merchantable value.** The ~~department's agent~~ *department* shall prepare from the reported valuation a tax roll ~~which shall~~ *that must* be transmitted to the county treasurer on or before September 15 each year. The county treasurer shall proceed to give full notice ~~thereof~~ to each metal

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producer and to collect the taxes due at the times provided for in 15-16-102, and any delinquencies in the payment of ~~same shall be~~ *the taxes are* subject to the interest and penalties provided for in 15-16-102."

Section 105. Section 15-24-104, MCA, is amended to read:

"15-24-104. Situs in state of proportionally registered fleets — collection of taxes and fees. (1) For the purposes of this part, any vehicle previously registered or ~~which~~ *that* has had application for registration made under the provisions of 61-3-711 through 61-3-733 ~~is hereby declared to have~~ *has* a situs in the state for the purposes of taxation.

(2) The department or its designated agent shall collect the personal property taxes~~,~~ or license fees, or both, prescribed in this part."

Section 106. Section 15-24-302, MCA, is amended to read:

"15-24-302. Collection procedure. All property mentioned in 15-24-301 is assessed at the same value as property of like kind and character, and the assessment, levy, and collection of the tax are governed by the provisions of 15-8-408, ~~15-16-111 through~~ *[section 157]*, 15-16-115, 15-16-404, 15-17-911, and 15-24-202, as amended, except:

(1) taxation of motor vehicles under 15-24-301(4) to the extent that subsection varies from the general provisions cited ~~above~~ *in this section*; and

(2) livestock taxation governed by 81-7-104 and Title 81, chapter 7, part 2."

Section 107. Section 15-24-801, MCA, is amended to read:

"15-24-801. Savings and loan associations — taxation. Every savings and loan association subject to regulation under Title 32, chapter 2, ~~shall~~ *must* be assessed for and pay taxes upon all real and personal property owned by the association. The secretary of an association shall furnish to the department ~~of revenue or its agent in the county in which the principal office of the association is located~~, within 5 days after demand, a condensed statement, verified by ~~his~~ oath, of the resources and liabilities of the association as disclosed by its books at noon on January 1 in each year. If the secretary fails to make the statement ~~hereby required~~, the department ~~or its agent~~ shall immediately obtain the information from any other available source, and for this purpose it shall have access to the books of the association. The department ~~or its agent~~ shall ~~thereupon~~ make an assessment of the real estate and personal property owned by the association~~, which assessment shall be~~ *in a manner that is* as fair and equitable as it may be able to make from the best information available, or the ~~assessor~~ *department* may, for the purpose of the assessment, adopt the figures disclosed by any prior report made by the association to any state or federal officer under a state or federal law. A person required by this section to make the statement provided for in this section who fails to furnish it is guilty of a misdemeanor."

Section 108. Section 15-24-901, MCA, is amended to read:

"15-24-901. Definition. As used in this part, "livestock" includes those animals ~~specified in~~ *defined as livestock in* 15-1-101~~(1)(i)~~."

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Section 109. Section 15-24-902, MCA, is amended to read:

"15-24-902. Assessment of livestock. The department ~~of revenue or its agent~~ shall assess all nonexempt livestock in each county where they are located on ~~March~~ *February* 1 of each year. The livestock must be assessed to the person by whom they were owned or claimed or in whose possession or control they were at midnight of ~~March~~ *February* 1 in that year."

Section 110. Section 15-24-903, MCA, is amended to read:

"15-24-903. Duty of owner to assist in assessment. (1) The owner of livestock, as defined in 15-24-901, or ~~his~~ *the owner's* agent, *shall* at the time of assessment ~~shall~~ make and deliver to the department ~~of revenue or its agent in~~ *for* the county or counties where ~~his~~ *the owner's* livestock were located on ~~March~~ *February* 1, a written statement, under oath, ~~showing the~~ *listing the owner's* different kinds of ~~his~~ livestock within the county or counties ~~belonging to him or under his charge~~, *together* with *a listing of* their marks and brands.

(2) As used in this section, "agent" means any person, persons, company, or corporation, including a feedlot operator or owner of grazing land, who has charge of livestock on the assessment date."

Section 111. Section 15-24-904, MCA, is amended to read:

"15-24-904. Penalty for violation of law. If any person, persons, company, or corporation who is the owner or ~~has~~ *is* in charge *of* any livestock within this state fails to make the statement or statements as provided in 15-24-903, the ~~county assessor~~ *department* may, after 10 days' notice to the person who failed to file the report, increase the assessment by 10% as a penalty."

Section 112. Section 15-24-905, MCA, is amended to read:

"15-24-905. Livestock brought into state — notice to department ~~of revenue or its agent~~. The owner or the agent, manager, or ~~foreman~~ *supervisor* of any person, corporation, or association bringing livestock into this state after ~~March~~ *February* 1 shall immediately after ~~said~~ *the* livestock cross the state line forward to the department ~~of revenue or its agent in the county into which the livestock are moved~~ a ~~registered or~~ certified letter, ~~which letter shall contain~~ *containing* the name of the owner of ~~such~~ *the* livestock, the number ~~thereof~~ *of livestock*, the brand ~~thereon~~ *on the livestock*, ~~and~~ the ages of the ~~same~~ *livestock*, ~~together with~~ the time and place at which ~~said~~ *the* livestock were brought across the state line, *and the county or counties into which the livestock are moved.* ~~provided that the~~ *The* department of livestock *shall* at least once each month furnish from its own records to the department ~~of revenue or its agent in the county into which such livestock are moved~~ a list of the number and kind of livestock ~~so~~ moved *into each county*, together with the name of the owner ~~thereof~~ *of the livestock.*"

Section 113. Section 15-24-906, MCA, is amended to read:

"15-24-906. Collection of tax on livestock. The department ~~of revenue or its agent~~, upon receipt of ~~such~~ *the* letter *provided for in 15-24-905* or other information that livestock has been brought into ~~his~~ *a* county from outside of the state after ~~January~~ *February* 1 in any year, shall immediately proceed under the provisions of this part."

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Section 114. Section 15-24-920, MCA, is amended to read:

"15-24-920. Election for proration of tax on livestock — refunds — additional assessment. (1) An owner of livestock who moves the livestock interstate may elect to have the nonexempt livestock taxed on a prorated basis.

(2) The owner shall file an election with the ~~county assessor~~ *department*:

~~(a)~~ on the statement required in 15-24-903~~; or~~

~~(b) if the livestock have taxable situs in the state before March 1, on a form prescribed by the department~~. The statement must indicate the number of months the owner's livestock will be in the state.

(3) If a livestock owner elects to be taxed on a prorated basis, the tax on livestock that are moved interstate must be prorated according to the ratio of the number of months the livestock have taxable situs in the county to the total number of months in the taxable year. Livestock must be prorated as provided in this section regardless of when the livestock gain taxable situs in the county during the taxable year.

(4) Subject to the provisions of 15-16-603 through 15-16-605, a taxpayer whose nonexempt livestock are assessed under subsection (3) for a period longer than the actual number of months that the livestock have taxable situs in the state is entitled to a refund. The amount of the refund is equal to the difference between the original prorated amount paid and the subsequent amount owed after the actual number of tax situs months are determined at the end of the tax year. A taxpayer shall apply for a refund allowed under this subsection by January 31 following the year of assessment. The application must include a statement showing the date when the livestock were moved out of the state.

(5) A taxpayer whose nonexempt livestock are assessed under subsection (3) for a period shorter than the actual number of months that the livestock have taxable situs is subject to additional taxes for the number of additional months that the livestock has taxable situs in the state."

Section 115. Section 15-24-921, MCA, is amended to read:

"15-24-921. Per capita tax levy to pay expenses of enforcing livestock laws. (1) In addition to appropriations made for ~~such~~ *those* purposes, a per capita tax is authorized and directed to be levied by the ~~county assessor~~ *department* on all poultry and bees, all swine 3 months of age or older, and all other livestock 9 months of age or older in each county of this state for the purpose of aiding in the payment of the salaries and all expenses connected with the enforcement of the livestock laws of the state and for the payment of bounties on wild animals as ~~hereinafter specified~~ *provided in 81-7-104*.

(2) As used in this section, "livestock" means cattle, sheep, swine, poultry, bees, goats, horses, mules, asses, llamas, alpacas, domestic bison, and domestic ungulates."

Section 116. Section 15-24-1402, MCA, is amended to read:

"15-24-1402. New or expanding industry — assessment — notification. (1) In the first 5 years after a construction permit is issued, qualifying

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improvements or modernized processes that represent new industry or expansion of an existing industry, as designated in the approving resolution, must be taxed at 50% of their taxable value. Each year thereafter, the percentage must be increased by equal percentages until the full taxable value is attained in the 10th year. In subsequent years, the property must be taxed at 100% of its taxable value.

(2) (a) In order for a taxpayer to receive the tax benefits described in subsection (1), the governing body of the affected county or the incorporated city or town must have approved by separate resolution for each project, following due notice as defined in 76-15-103 and a public hearing, the use of the schedule provided for in subsection (1) for its respective jurisdiction. The governing body may not grant approval for the project until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval.

(b) The governing body may end the tax benefits by majority vote at any time, but the tax benefits may not be denied an industrial facility that previously qualified for the benefits.

(c) The resolution provided for in subsection (2)(a) must include a definition of the improvements or modernized processes that qualify for the tax treatment that is to be allowed in the taxing jurisdiction. The resolution may provide that real property other than land, personal property, improvements, or any combination thereof is eligible for the tax benefits described in subsection (1).

(3) The taxpayer shall apply to the ~~county assessor on a form provided by the~~ department ~~of revenue~~ for the tax treatment allowed under subsection (1). The application by the taxpayer must first be approved by the governing body of the appropriate local taxing jurisdiction, and the governing body shall indicate in its approval that the property of the applicant qualifies for the tax treatment provided for in this section. Upon receipt of the form with the approval of the governing body of the affected taxing jurisdiction, the ~~assessor~~ *department* shall make the assessment change pursuant to this section.

(4) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for local high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the benefit over which the governing body has sole discretion. ~~In no case may the~~ *The* benefit described in subsection (1) *may not* apply to levies or assessments required under Title 15, chapter 10, 20-9-331, 20-9-333, *or* 20-9-360~~,~~ or otherwise required under state law.

(5) Prior to approving the resolution under this section, the governing body shall notify by certified mail all taxing jurisdictions affected by the tax benefit."

Section 117. Section 15-24-1501, MCA, is amended to read:

"15-24-1501. Remodeling, reconstruction, or expansion of buildings or structures — assessment provisions — levy limitations. (1) Subject to the authority contained in subsection (4), remodeling, reconstruction, or expansion of existing buildings or structures, which increases their taxable value by at least 2 ½% as determined by the department ~~of revenue or its agents~~, may receive tax benefits during the construction period and for the following 5 years in accordance with subsections (2) through (4) and the following schedule.

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The percentages ~~shall~~ *must* be applied as provided in subsections (3) and (4) and are limited to the increase in taxable value caused by remodeling, reconstruction, or expansion:

Construction period	0%
First year following construction	20%
Second year following construction	40%
Third year following construction	60%
Fourth year following construction	80%
Fifth year following construction	100%
Following years	100%

(2) In order to confer the tax benefits described in subsection (1), the governing body of the affected county or, if the construction will occur within an incorporated city or town, the governing body of the incorporated city or town must approve by resolution for each remodeling, reconstruction, or expansion project the use of the schedule provided for in subsection (1) or a schedule adopted pursuant to subsection (4).

(3) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for high school district and elementary school district purposes and to the number of mills levied and assessed by the local governing body approving the benefit. ~~In no case may the~~ *The* benefit described in subsection (1) *may not* apply to statewide levies.

(4) A local government may, in the resolution required by subsection (2), modify the percentages contained in subsection (1) that apply to the first year following construction through the fourth year following construction. A local government may not modify the percentages contained in subsection (1) that apply to the fifth year following construction or years following the fifth year. A local government may not modify the time limits contained in subsection (1). The modifications to the percentages in subsection (1) adopted by a local government apply uniformly to each remodeling, reconstruction, or expansion project approved by the governing body."

Section 118. Section 15-24-1802, MCA, is amended to read:

"15-24-1802. Business incubator tax exemption — procedure. (1) A business incubator owned or leased and operated by a local economic development organization is eligible for an exemption from property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the county, consolidated government, incorporated city or town, or school district in which the property is located shall approve the tax exemption by resolution, after due notice, as defined in 76-15-103, and hearing. The governing body may approve or disapprove the tax exemption provided for in subsection (1). If a tax exemption is approved, the governing body shall do so by a separate resolution for each business incubator in its respective jurisdiction. The governing body may not grant approval for the business incubator until all of the applicant's taxes have been paid in full or, if the property is leased to a business incubator, until all of the owner's property taxes on that property have been paid in full. Taxes paid under protest do not preclude approval. Prior to holding the hearing, the governing body shall determine that the local economic development organization:

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(a) is a private nonprofit corporation as provided in Title 35, chapter 2, and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(b) is engaged in economic development and business assistance work in the area; and

(c) owns or leases and operates or will operate the business incubator.

(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the ~~assessor~~ *department* shall make the assessment change for the tax exemption provided for in this section.

(4) The tax exemption described in subsection (1) applies only to the number of mills levied and assessed by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county, consolidated government, or incorporated city or town approves the exemption, the exemption applies to levies and assessments required under Title 15, chapter 10, 20-9-331, or 20-9-333 or otherwise required under state law."

Section 119. Section 15-24-1902, MCA, is amended to read:

"15-24-1902. Industrial park tax exemption — procedure — termination. (1) An industrial park owned and operated by a local economic development organization or a port authority is eligible for an exemption from property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the county, consolidated government, incorporated city or town, or school district in which the property is located shall approve the tax exemption by resolution, after due notice, as defined in 76-15-103, and hearing. The governing body may approve or disapprove the tax exemption provided for in subsection (1). If a tax exemption is approved, the governing body shall do so by a separate resolution for each industrial park in its respective jurisdiction. The governing body may not grant approval for the industrial park until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval. Prior to holding the hearing, the governing body shall determine that:

(a) the local economic development organization:

(i) is a private, nonprofit corporation as provided in Title 35, chapter 2, and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(ii) is engaged in economic development and business assistance work in the area; and

(iii) owns and operates or will own and operate the industrial development park; or

(b) the port authority legally exists under the provisions of 7-14-1101 or 7-14-1102.

(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the ~~assessor~~ *department* shall make the assessment change for the tax exemption provided for in this section.

(4) The tax exemption described in subsection (1) applies only to the number of mills levied and assessed by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county, consolidated government, or incorporated city or town approves the exemption, the exemption applies to levies or assessments required under Title 15, chapter 10, 20-9-331, or 20-9-333 or otherwise required under state law.

(5) If a local economic development organization sells, leases, or otherwise disposes of the exempt property to a purchaser or lessee that is not a local economic development organization or a unit of federal, state, or local government, the tax exemption provided in this section terminates. The termination of the exemption applies January 1 of the taxable year immediately following the sale, lease, or other disposition of the property. Upon termination of the exemption, the property must be assessed as provided in 15-16-203."

Section 120. Section 15-24-2002, MCA, is amended to read:

"15-24-2002. Building and land tax exemption — procedure — termination. (1) A building and land owned by a local economic development organization that the local economic development organization intends to sell or lease to a profit-oriented, employment-stimulating business are eligible for an exemption from property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the affected county, consolidated government, incorporated city or town, or school district in which the building and land are located shall approve the tax exemption by resolution, after due notice, as defined in 76-15-103, and hearing. The governing body may approve or disapprove the tax exemption provided for in subsection (1). The governing body shall approve a tax exemption by a separate resolution. The governing body may not grant approval for the building and land until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval. Prior to holding the hearing, the governing body shall determine that the local economic development organization:

(a) is a private, nonprofit corporation, as provided in Title 35, chapter 2, and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(b) is engaged in economic development and business assistance work in the area; and

(c) owns or will own the building and land.

(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the ~~assessor~~ *department* shall make the assessment change for the tax exemption provided for in this section.

(4) The tax exemption described in subsection (1) applies only to the number of mills levied and assessed by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county,

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consolidated government, or incorporated city or town approves the exemption, the exemption applies to levies or assessments required under Title 15, chapter 10, 20-9-331, or 20-9-333 and other levies required under state law.

(5) When a local economic development organization sells, leases, or otherwise disposes of the exempt property to a purchaser or lessee that is not a local economic development organization or a unit of federal, state, or local government, the tax exemption provided in this section terminates. The termination of the exemption applies January 1 of the taxable year immediately following the sale, lease, or other disposition of the property. Upon termination of the exemption, the property must be assessed as provided in 15-16-203."

Section 121. Section 15-24-2302, MCA, is amended to read:

"15-24-2302. Clean coal technology tax exemption — procedure — termination. (1) The buildings, facilities, or equipment installed under a clean coal technology project is eligible for an exemption from property taxes as provided in this section. A project must be designated as a clean coal technology project by the department under criteria contained in 90-4-905.

(2) In order to qualify for the tax exemption described in this section, the legislature must have approved the project and the governing body of each affected local government must have approved the tax exemption by resolution, after notice and hearing. The governing body of each affected local government must be notified in writing of the buildings, facilities, and equipment proposed to be exempt from taxation and the value of the buildings, facilities, and equipment. A tax exemption may not be granted under this section unless it is approved by every local government that would be affected by the project.

(3) If the governing body of each affected local government approves a resolution granting the tax exemption for a clean coal technology project, the buildings, facilities, or equipment installed under the project is exempt from the specified percentage of state and local property taxes as approved by the governing bodies. The percentage amount may be any amount up to 100%, but it must be the same for all state and local property taxes.

(4) Funds made available to a clean coal technology project as a result of the tax exemption under this section must be used for project development, construction, or operation or for payment of debt service on instruments used to fund project development, construction, or operation.

(5) The department shall, in writing, notify the ~~department of revenue's agent in the~~ county or counties in which the project is located of the date the final approval for the tax exemption of the property was granted under this section and shall specifically identify each piece of real or personal property subject to the tax exemption. A tax exemption granted under this section is effective for the life of the project or 25 years, whichever occurs first. The tax exemption begins on January 1 of the year after the department ~~of revenue receives~~ *gives* notification of the final approval under this section. The department shall, in writing, notify the ~~department of revenue's agent in the~~ county or counties in which the project is located when the exemption has expired. The termination of the exemption applies on January 1 of the taxable year following the expiration of the exemption."

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Section 122. Section 15-36-104, MCA, is amended to read:

"15-36-104. Record of product — carriers to furnish data. ~~Every such~~ *Each* person *subject to 15-36-102* shall keep a record in ~~such~~ *the* form ~~as~~ *that* the department ~~of revenue may require~~ *requires* of all petroleum and other mineral or crude oil or natural gas extracted or produced by ~~such~~ *the* person in this state, and ~~such~~ *the* records ~~shall~~ *must* at all times during ~~the~~ business hours ~~of the day~~ be subject to inspection by the department ~~or its agents or employees. It shall be the duty of railroad~~ *Railroad*, pipeline, and transportation companies carrying *petroleum and other* crude or mineral oil or natural gas ~~to~~ *shall* furnish to the department, whenever requested to do so, all data relative to the shipment of ~~such~~ *those* products that may be required to properly enforce the provisions of this part. The failure of any railroad, pipeline, or transportation company to comply with the provisions of this section ~~shall make such~~ *subjects the* company ~~liable~~ to a penalty of $100 for each day it fails to furnish ~~such~~ *the* statement."

Section 123. Section 15-37-203, MCA, is amended to read:

"15-37-203. Records. ~~Every such~~ *Each* person *subject to 15-37-201* shall keep a record in ~~such~~ *the* form *required* ~~as~~ *by* the department ~~of revenue may require~~ of all ~~such~~ products mined or produced by ~~him~~ *the person* in this state. ~~Such~~ *The* records ~~shall~~ *must* at all times during ~~the~~ business hours ~~of the day~~ be subject to inspection by the department~~, its agents or employees~~."

Section 124. Section 15-51-104, MCA, is amended to read:

"15-51-104. Inspection of books of producer. The books and records of ~~such~~ *an electrical energy* producer ~~shall~~ *must* be subject to inspection by the department ~~of revenue, its agents or employees,~~ during reasonable hours."

Section 125. Section 15-59-104, MCA, is amended to read:

"15-59-104. Manufacturers to keep records. ~~Every such~~ *Each* person *subject to 15-59-102* shall keep a record in ~~such~~ *the* form ~~as~~ *required by* the department ~~of revenue may require~~ of all cement, gypsum, gypsum plaster, stucco, wallboard, land plaster, or other products of cement or gypsum manufactured or produced by ~~such~~ *the* person in this state. ~~Such~~ *The* records ~~shall~~ *must* at all times during ~~the~~ business hours ~~of the day~~ be subject to inspection by the department~~, its agents or employees~~."

Section 126. Section 15-59-203, MCA, is amended to read:

"15-59-203. Record of cement received. *(1)* Each ~~and every~~ person ~~engaging in or carrying on such occupation in this state~~ *subject to 15-59-201* shall keep a record showing all cement, cement plaster, gypsum plaster, and other byproducts of cement:

(a) purchased or received by or delivered to ~~such~~ *the* person for sale by ~~such~~ *the* person at retail in this state for the manufacturing or production of ~~which cement, cement plaster, gypsum plaster, or other byproducts of cement no person has paid or assumed liability~~ *those items; and*

(b) for ~~the payment of any~~ *which the* license tax ~~to the state of Montana under any law of this state~~ *has not been paid.*~~, which~~

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(2) The record ~~shall~~ *must* show the date of each purchase or delivery, the number of barrels or tons contained ~~therein~~, and the name of the person from whom the ~~same was~~ *items were* purchased or received.~~, which~~ *The* records ~~shall~~ *must* at all times during ~~the~~ business hours ~~of the day~~ be subject to inspection by the department ~~of revenue, its agents or employees~~."

Section 127. Section 19-3-908, MCA, is amended to read:

"19-3-908. Retirement incentive program — window of eligibility. (1) Except as provided in subsection (4), a person who is an active member on February 1, 1993, and who voluntarily terminates service or whose service is involuntarily terminated because of a reduction in force on or after June 25, 1993, but before January 1, 1994, and who is eligible for a normal service retirement under 19-3-901 or early retirement under 19-3-902 is entitled to the retirement incentive provided in subsection (2).

(2) *(a)* The employer of an eligible member under subsection (1) shall pay the total cost of purchasing up to 3 years of additional service that the member is qualified to purchase under 19-3-513.

(b) The department of revenue shall pay the cost of purchasing up to 3 years of additional service for qualifying county assessors and deputy assessors eligible under subsection (1) whose employing county has not elected for participation in the incentive program as provided in subsection (4).

(c) A member is entitled to a refund for that portion of previously purchased additional service that would otherwise cause the member to be unqualified to receive all or part of the additional service provided in this section.

(3) An active member who is involuntarily terminated because of a reduction in force on or after March 1, 1993, but before June 25, 1993, and who, if the member had not been terminated, would have been eligible under subsection (1) for the retirement incentive is entitled to the retirement incentive under subsection (2) if the member was, at the time of termination, eligible for normal service retirement under 19-3-901 or early retirement under 19-3-902 and retires on or after June 25, 1993.

(4) ~~A~~ *Subject to subsection (2)(b), a* contracting employer's participation in the incentive program described in this section is optional. A contracting employer may elect to provide the incentive by filing with the board a written notice of election on or before June 1, 1993, and complying with rules adopted pursuant to subsection ~~(5)~~ *(6)*.

(5) County assessors and deputy assessors are eligible for the incentive program even if the employing county has not elected to participate in the incentive program.

~~(5)~~*(6)* The board may allow an employer to pay the contributions required under subsection (2)*(a)* in installments for up to 10 years and may charge interest at a rate set by the board pursuant to 19-2-403. The board shall adopt rules to implement the provisions of this section.

~~(6)~~*(7)* A member who has received additional service under this section and who returns to employment for the same jurisdiction for 600 or more hours in a calendar year shall forfeit the additional service. The employer's contributions

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to purchase that member's additional service, minus any retirement benefits already paid, must be refunded to the employer. For purposes of this subsection, all agencies of the state, including the university system, are considered the same jurisdiction and other public employers contracting with the retirement system are each considered separate jurisdictions."

Section 128. Section 20-9-122, MCA, is amended to read:

"**20-9-122. Statement of district, city, and town valuations.** (1) By the second Monday of July, the department of revenue ~~or its agent in each county shall, at the time of delivering the completed assessment book to the county clerk under the provisions of 15-8-705, also~~ deliver to the county superintendent and to each city or town clerk a statement showing separately for each district and each city or town in ~~his~~ *the* county the total assessed value and the total taxable value of all property in ~~such~~ *the* districts, cities, or towns, as these valuations appear in ~~such completed assessment book~~ *the property tax record.*

~~(2) The county clerk shall, after the second Monday in August and before or at the time of delivering the assessment book to the department of revenue or its agent under the provisions of 15-10-306, prepare a statement showing separately for each district and each city or town in his county the total assessed value and the total taxable value of all property in such districts, cities, or towns, as these valuations appear in the assessment book after amendments, corrections, and additions made by the state and county tax appeal boards and entered on the assessment book. The county clerk shall immediately deliver a copy of his statement of assessed and taxable values for districts to the county superintendent and a copy of those portions of such statement for each city and town to the appropriate city or town clerk.~~

~~(3)~~*(2)* In the case of a joint school district, the department of revenue ~~or its agent and the county clerk~~ shall, at the time of delivering ~~their respective statements~~ *the statement* to the county superintendent, send a statement of the assessed value and taxable value of the portion of the joint school district situated in ~~their~~ *the appropriate* county to the county superintendents and to the county commissioners of each county in which a part of the joint school district is situated."

Section 129. Section 50-61-112, MCA, is amended to read:

"**50-61-112. Prior approval required for construction or alteration of educational and institutional occupancies.** (1) Within an incorporated municipality, an educational or institutional occupancy, whether public or private, may not be constructed or have alterations made costing $1,500 or more until sketches or architectural plans for the construction or alteration, whichever are available, are submitted to and approved by the state fire prevention and investigation program of the department of justice.

(2) Outside an incorporated municipality, an assembly, educational, or institutional occupancy may not be constructed or have alterations made costing $1,500 or more until a permit has been issued for the construction or alteration by the county commissioners. A fee of $10 ~~shall~~ *must* be paid to the county treasurer for each permit. A copy of the permit ~~shall~~ *must* be furnished to the ~~county assessor~~ *department of revenue.* ~~No~~ *A* permit may *not* be issued until sketches or architectural plans for the construction or alteration, whichever are

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available, are submitted to and approved by the state fire prevention and investigation program of the department of justice. The state fire prevention and investigation program of the department of justice and county sheriffs are responsible for enforcing the provisions of this subsection."

Section 130. Section 61-3-207, MCA, is amended to read:

"61-3-207. Mobile home or housetrailer — transfer of interest. (1) Upon a transfer of any interest in a mobile home or housetrailer under the provisions of this chapter, the application for the transfer ~~shall~~ *must* be made through the county treasurer's office in the county in which the mobile home or housetrailer is located at the time of the transfer.

(2) When a mobile home or housetrailer is sold under contract or under such conditions that title is not immediately conveyed, the parties to the transaction shall immediately file with the county clerk and recorder a notice of intention to transfer title. The notice must indicate the name of the party who is ~~thereafter~~ responsible for payment of taxes upon the mobile home or housetrailer *after the transfer.* The clerk and recorder shall immediately notify the ~~county assessor~~ *department of revenue* of the information in the notice. The penalty provisions of 61-3-201(2) do not apply if the notice of intent to transfer is filed with the county clerk and recorder within 20 days after the transfer."

Section 131. Section 61-3-303, MCA, is amended to read:

"61-3-303. Application for registration. (1) Every owner of a motor vehicle operated or driven upon the public highways of this state shall for each motor vehicle owned, except as ~~herein~~ otherwise ~~expressly~~ provided *in this section,* file or cause to be filed in the office of the county treasurer where the owner ~~makes his permanent residence~~ *permanently resides* at the time of making the application or, if the vehicle is owned by a corporation or used primarily for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned, an application for registration or reregistration upon a blank form to be prepared and furnished by the department. The application ~~shall~~ *must* contain:

(a) name and address of owner, giving county, school district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's residence is located if the motor vehicle is not taxable;

(b) name and address of the holder of any security interest in the motor vehicle;

(c) description of motor vehicle, including make, year model, engine or serial number, manufacturer's model or letter, gross weight, *and* type of body~~,~~ and, if *a* truck, ~~the~~ rated capacity; and

(d) other information that the department may require.

(2) A person who files an application for registration or reregistration of a motor vehicle, except of a mobile home as defined in 15-1-101(1), shall upon the filing of the application pay to the county treasurer:

(a) the registration fee, as provided in 61-3-311 and 61-3-321; and

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(b) unless it has been previously paid:

(i) the personal property taxes assessed against the vehicle for the current year of registration and the immediately previous year; or

(ii) the new motor vehicle sales tax against the vehicle for the current year of registration.

(3) The application may not be accepted by the county treasurer unless the payments required by subsection (2) accompany the application. The department ~~or its agent~~ *of revenue* may not assess and the county treasurer may not collect taxes or fees for a period other than:

(a) the current year; and

(b) the immediately previous year~~;~~ if the vehicle was not registered or operated on the highways of the state, regardless of the period of time since the vehicle was previously registered or operated.

(4) The department ~~or its agent~~ *of revenue* may make full and complete investigation of the tax status of the vehicle. Any applicant for registration or reregistration ~~must~~ *shall* submit proof from the tax or other appropriate records of the proper county at the request of the department ~~or its agent~~ *of revenue.*"

Section 132. Section 61-3-345, MCA, is amended to read:

"**61-3-345. County motor vehicle computer system.** (1) The department shall maintain a statewide ~~on line~~ *online* computer system to be used to register and reregister motor vehicles, boats, snowmobiles, and off-highway vehicles.

(2) The department shall establish the user advisory group to assist in the development of policies governing the registration and reregistration of motor vehicles, boats, snowmobiles, and off-highway vehicles. The user advisory group must be appointed by the attorney general and must include:

(a) an employee of the department of administration, data processing division, selected by the division administrator;

(b) two county treasurers, selected by the Montana county treasurers association;

(c) one county motor vehicle section supervisor, selected by the Montana county treasurers association;

(d) ~~a county assessor~~ *an employee of the department of revenue who is engaged in property assessment,* selected by the director of the department of revenue;

(e) an employee of the department of justice, data processing division, selected by the division administrator;

(f) an employee of the department of justice, motor vehicle division, registrar's bureau, selected by the division administrator;

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(g) an employee of the department of justice, motor vehicle division, driver services bureau, selected by the division administrator;

(h) a member of the Montana bankers' association, selected by the association director;

(i) a momber of the Montana automobile dealers association, selected by the association director; and

(j) a member or employee of the Montana American automobile association, selected by the association director.

(3) Committee members who are not employees of the state of Montana shall serve a term of 2 years, and state employee members shall serve at the pleasure of the attorney general.

(4) Travel and per diem expenses for the committee must be charged to the motor vehicle division.

(5) Secretarial and support services for the committee must be provided by the motor vehicle division.

(6) The committee shall meet no more than four times a year unless specifically called by the attorney general."

Section 133. Section 61-3-503, MCA, is amended to read:

"**61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection (2) of this section, the following apply to the taxation of motor vehicles:

(a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for registration or reregistration of a motor vehicle shall before filing the application with the county treasurer submit the application to the ~~county assessor~~ *department of revenue.* The ~~county assessor~~ *department of revenue* shall enter on the application in a space to be provided for that purpose the market value and taxable value of the vehicle as of January 1 of the year for which the application for registration is made.

(b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in each year irrespective of the time fixed by law for the assessment of other classes of personal property and irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle is not subject to assessment, levy, and taxation more than once in each year.

(c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition of the preceding guides, the retail value of the vehicle as determined by the ~~county assessor~~ *department of revenue,* and thereafter depreciated 10% per year until a value of $500 is reached, not including additions or deductions for options

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and mileage but including additions or deductions, whether or not one of the preceding guides is used, for diesel engines; and a lien for taxes and fees due on the vehicle ~~shall occur~~ *occurs* on the anniversary date of the registration and ~~shall continue~~ *continues* until the fees and taxes have been paid. If the value shown in any of the appraisal guides listed in this section is less than $500, the department shall value the vehicle at $500.

(d) Motorcycles and quadricycles must be assessed, using the greater of the following:

(i) $250; or

(ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of the applicable National Edition of the N.A.D.A. Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another nationally published used vehicle or appraisal guide approved by the department of revenue, not including additions or deductions for options and mileage.

(e) If a vehicle assessed under subsection (1)(c) or (1)(d) is not originally listed in the applicable N.A.D.A. guide or other approved guide, the department of revenue ~~or its agent~~ shall depreciate the original f.o.b. factory list price, f.o.b. port-of-entry list price, or the manufacturer's suggested list price, using the following methods:

(i) if the new car sales tax has been previously paid and the vehicle is less than 1 year in age, the depreciation percentage ~~shall be~~ *is* 20%; or

(ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in this section, the department of revenue shall determine the depreciation percentage to approximate the average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to in this subsection. For purposes of this subsection (1), the age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.

(f) When a minimum value of $500 is reached, the value ~~shall~~ *must* remain at that minimum ~~so~~ *as* long as the vehicle is registered.

(g) If a previously registered vehicle is no longer listed in the applicable N.A.D.A. guide or other approved guide, the department ~~or its agent~~ *of revenue* shall depreciate the value of the vehicle at the rate of 10% a year until a minimum amount of $500 is attained, and the value ~~shall~~ *must* remain at that amount ~~so~~ *as* long as the vehicle is registered.

(2) The provisions of subsections (1)(a) through (1)(g) do not apply to motor homes, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

Section 134. Section 61-12-402, MCA, is amended to read:

"61-12-402. Notice to owner. (1) Within 72 hours after any vehicle is removed and held by or at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in which the vehicle was located at the time it was taken into custody and the place where the vehicle is being held. In addition, the Montana highway patrol shall furnish the sheriff a

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complete description of the vehicle, ~~to include~~ *including* year, make, model, serial number, and license number if available~~,~~; any costs incurred to that date in the removal, storage, and custody of the vehicle~~,~~; and any available information concerning its ownership.

(2) The sheriff or the city police shall make reasonable efforts to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle taken into custody under 61-12-401. If ~~such~~ *a* name and address are ascertained, the sheriff or the city police shall notify ~~such~~ *the* owner and lienholder or person of the location of the vehicle.

(3) If the vehicle is registered in the office of the department, notice ~~shall be deemed~~ *is considered to have been* given when a registered or certified letter addressed to the registered owner of the vehicle and lienholder, if any, at the latest address shown by the records in the office of the department, return receipt requested and postage prepaid ~~thereon~~, is mailed at least 30 days before the vehicle is sold ~~as hereinafter provided~~.

(4) If the identity of the ~~last registered~~ *last-registered* owner cannot be determined, ~~or~~ if the registration ~~contains no~~ *does not contain an* address for the owner, or if it is impossible to determine with reasonable certainty the identity and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the county where the motor vehicle was abandoned ~~shall be~~ *is* sufficient to meet all requirements of notice pursuant to this part. ~~Such~~ *The* notice by publication can contain multiple listings of abandoned vehicles. ~~Any such~~ *The* notice ~~shall~~ *must* be provided in the same manner as prescribed in 25-13-701(1)(b).

(5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

(6) A vehicle found by law enforcement officials to be a "junk vehicle" as defined by 75-10-501 and certified as having an appraised value of $100 or less as determined by the ~~county assessor in accordance with the rules of the~~ department of revenue may be directly submitted for disposal in accordance with the provisions of part 5 of chapter 10, Title 75, upon a release given by the sheriff or the city police. In the release, the sheriff or the city police shall include a description of the vehicle, including year, make, model, serial number, and license number if available. A release provided by the sheriff or the city police under this section ~~shall~~ *must* be transmitted to the motor vehicle wrecking facility and ~~shall~~ *must* be considered by that facility to meet the requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be submitted without notice and without a required holding period."

Section 135. Section 70-23-304, MCA, is amended to read:

"70-23-304. Declaration to be approved by department of revenue before recording. Before a declaration may be recorded *in the county in*

which the property is located, it must be approved by ~~the agent of~~ the department of revenue ~~in the county in which the property is located~~. ~~No~~ *A* declaration ~~shall~~ *must* be approved unless:

(1) the name is proper so as to comply with 70-23-303; and

(2) all taxes and assessments due and payable have been paid."

Section 136. Section 70-23-305, MCA, is amended to read:

"70-23-305. Recording of declaration. (1) When a declaration is made and approved as required, it must, upon the payment of the fees provided by law, be recorded by the recording officer. The fact of recording and the date of recording must be entered on the declaration.

(2) At the time of recording a declaration, the person offering it for record shall also file a copy, certified by the recording officer to be a true copy, with the department of revenue ~~or its agent in the county in which the property is located~~.

(3) If the property is located in a city or town, a copy of the declaration only must also be filed with the city or town clerk at the time of recording."

Section 137. Section 76-2-102, MCA, is amended to read:

"76-2-102. Organization and operation of commission. (1) The commission is to consist of the three county commissioners, the county surveyor, and ~~the county assessor~~ *a county official appointed by the county commissioners.* Members of the commission shall serve without compensation other than reimbursement for duly authorized expenses and ~~shall~~ *must* be residents of the county in which they serve.

(2) The commission ~~hereby is authorized to~~ *may* appoint necessary employees and fix their compensation with the approval of the board of county commissioners, ~~to~~ select a ~~chairman~~ *presiding officer* to serve for 1 year, ~~to~~ appoint a secretary ~~who shall~~ *to* keep permanent and complete records of its proceedings, and ~~to~~ adopt rules governing the transaction of its business.

(3) The finances necessary for the transaction of the planning and zoning commission's business and to pay the expenses of the employees and justified expenses of the members of the board ~~shall~~ *must* be paid from a levy of not to exceed 1 mill on the taxable valuation of the real property within ~~such~~ *the* district."

Section 138. Section 76-13-207, MCA, is amended to read:

"76-13-207. Determination and collection of costs of fire protection. (1) The department shall prepare an annual operation assessment plan in which fire protection costs are determined. The department shall request the legislature to appropriate the state's portion of the cost. After the appropriation is made by the legislature, the department shall cause an assessment to be made on the owners of classified forest land, as specified in 76-13-201, sufficient to bring the total amount received from ~~such~~ *the* landowners to no greater than one-third of the amount specified in the appropriation.

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(2) On or before the second Tuesday in August of each year, the department shall certify in writing to the ~~county assessor of each county~~ *department of revenue* the names of these owners of forest lands in ~~his~~ *each* county, together with a description of their lands and a statement of the amount found to be due and owing by each of the owners to the department for forest fire protection.

(3) Upon receiving the certificate from the department showing the amount due, the ~~county assessor~~ *department of revenue* shall extend the amounts upon the county tax rolls covering the lands, and the sums ~~shall~~ become obligations of the owner, to be paid and collected in the same manner and at the same time and ~~with like~~ *subject to the same* penalties as general state and county taxes upon the same property are collected."

Section 139. Section 76-15-518, MCA, is amended to read:

"76-15-518. Certification of assessment to ~~assessor~~ *department of revenue* — entry on ~~assessment roll~~ *property tax record.* The board of county commissioners of each county in which any portion of the district is situated may levy the assessment provided in this part or part 6. The assessment ~~shall~~ *must* be certified to the ~~county assessor of each of the respective counties~~ *department of revenue* and entered on the ~~assessment roll~~ *property tax record of each county.*"

Section 140. Section 77-1-501, MCA, is amended to read:

"77-1-501. List of state lands by county. The department shall, before the first Monday of April of every year, prepare and transmit a statement to the department of revenue ~~or its agent in~~ *that designates* each county in which the state has real property in excess of 6% of the total land area of the county and from which the state derives grazing, agricultural, or forest income. The statement ~~shall~~ *must* contain the total number of acres owned by the state in that county and list the acres separately as grazing, agricultural, or forest land."

Section 141. Section 77-1-503, MCA, is amended to read:

"77-1-503. Form to be completed by ~~county agent of the~~ department of revenue. The department shall provide a form *for each county* to be followed and completed by ~~the agent of~~ the department of revenue ~~in each county~~. The ~~agent~~ *department of revenue* shall, before October 1, make the computations required and submit to the department the completed ~~form~~ *forms*, which ~~shall~~ *must* show the computations and method used in arriving at the state land equalization payment."

Section 142. Section 77-1-504, MCA, is amended to read:

"77-1-504. Processing of ~~county~~ statements. The department shall examine *for accuracy* the statement returned by the ~~agent of the~~ department of revenue ~~for accuracy~~, and ~~in no case shall~~ the state land equalization payment *may not* be approved unless the state exemption figure is deducted from the gross assessment figure in the statement. The department shall, before November 1 of each year, prepare and file a claim with the department of administration for all counties ~~who~~ *that* are eligible for state land equalization payments, and this claim ~~shall~~ *must* show the amount of money each eligible county will receive."

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Section 143. Section 77-2-313, MCA, is amended to read:

"77-2-313. Land subject to taxation. (1) State lands purchased from the state are subject to taxation ~~to the full value thereof~~. The department of revenue shall assess the purchaser for the full value of the land on January 1 following the date of purchase. The holder of certificates of purchase to lands within *an* irrigation ~~districts~~ *district* is liable for the entire *irrigation district* tax levied against the land ~~thereunder on account of such irrigation district~~.

(2) The improvements on the land ~~shall~~ *must* be assessed and taxed as other improvements on farm lands.

(3) On or before January 15 of each year, the department shall furnish the department of revenue ~~or its agent in each county~~ with a complete list of all state lands sold in ~~his~~ *each* county during the *previous calendar* year ~~ending on the previous December 31~~. This list ~~shall~~ *must* show the name and address of the purchaser, the legal description of the land, and the acreage contained ~~therein~~ *in the purchase.*"

Section 144. Section 80-2-203, MCA, is amended to read:

"80-2-203. Participation in program — tax. (1) A taxpayer or an association of taxpayers engaged in the growing of crops other than *those* specified in this part or other agricultural or horticultural products subject to injury or destruction by hail may, by individual or joint election filed with and approved by the board of hail insurance, accept the provisions of this part and elect to become subject to this part. The risks may be classified by the board, and suitable levies may be imposed as agreed upon by the board and the taxpayers. The taxpayers are entitled to the benefits and protection afforded by the insurance provisions of this part.

(2) ~~Every~~ *Each* farmer taxpayer who signifies a desire to become subject to the provisions of this part shall file ~~in the office of the county assessor~~ *with the department of revenue* the properly filled out form not later than August 15. ~~and~~ *The taxpayer* is chargeable with the tax provided for on lands growing crops subject to injury or destruction by hail and shall share in the protection and benefits under the hail insurance provisions of this part. The application for hail insurance is in full force and effect at 12:01 a.m. the day immediately following the acceptance of the application by the ~~county assessor~~ *department of revenue.*

(3) This part may not be construed to empower anyone except the actual owner of the land to make the land subject to the hail tax provided in this part."

Section 145. Section 80-2-204, MCA, is amended to read:

"80-2-204. Duty of ~~agent of the~~ department of revenue — election of benefits of law. ~~It shall be the duty of the agent of the~~ *The* department of revenue ~~in each county in the state~~ *shall* upon request ~~to~~ explain to each taxpayer engaged in the growing of crops subject to injury or destruction by hail the provisions of this part. ~~and the protection afforded thereby and to~~ *The department of revenue shall* issue *hail* insurance policies~~, on the forms provided for such purpose, if such~~ *to each* taxpayer *who* desires to become subject to this part, ~~and~~ *to become* liable for the tax levies provided ~~hereby~~ *in this part,* and ~~thereby~~ *to be* eligible ~~to~~ *for* the benefits and protection of this part. ~~Each such~~ *A*

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taxpayer who elects to become subject to this part ~~shall be~~ *is* liable for the taxes levied for hail insurance and shall participate in the benefits and protection afforded by this part. ~~, provided that~~ *Either* the owners of lands worked by others under lease or contract ~~shall elect if such lands shall be subject to the tax levies herein provided for and the crops grown thereon protected~~ *may make the election* for hail insurance~~,~~ or the lessee of ~~such~~ *the* land may tender payment of the tax levied for hail insurance to protect ~~his~~ *the lessee's* crops, in cash, to the officer authorized to receive *payment* ~~same, whereupon such crops shall become eligible to the benefits and protection afforded by this part for hail insurance.~~"

Section 146. Section 80-2-206, MCA, is amended to read:

"**80-2-206. Cash payment.** When an applicant for hail insurance tenders cash for the ~~same~~ *insurance* to the ~~county assessor~~ *department of revenue*, ~~he shall be~~ *the applicant is* allowed a discount of 4%. ~~His~~ *The* hail insurance ~~shall~~ *must* be issued upon ~~said~~ *the* cash payment less the 4% ~~mentioned~~. The charge for the insurance ~~shall~~ *must* be based on the maximum rates shown on the application for hail insurance. If the current rates are reduced later, the board of hail insurance shall arrange for the proper refund to the insured. All cash received by the ~~assessor shall~~ *department of revenue must* be promptly turned over to the county treasurer, who ~~will~~ *shall* furnish the insured with a current receipt and place the money in the hail insurance fund."

Section 147. Section 80-2-207, MCA, is amended to read:

"**80-2-207. Delinquent taxes — application by delinquent — crop lien.** (1) ~~No~~ *An* owner of land who has more than 1 year's delinquent taxes on ~~his~~ *the* land ~~shall~~ *may not* be allowed hail insurance under the provisions of this part, unless ~~his~~ *the owner's* application is accompanied by a cash payment for the amount that would be due on ~~said~~ *the* application in the event of a maximum levy for that year.

(2) Any grain grower unable to secure state hail insurance under the provisions of this part ~~on account~~ *because* of delinquent taxes or for other reasons may make application to the ~~county assessor of his respective county~~ *department of revenue*, and ~~said county assessor is hereby authorized to~~ *the department of revenue may* receive and accept ~~such~~ *the* applications ~~where~~ *when* the applicant furnishes a sufficient crop lien *that is* subject only to a seed lien. ~~, provided that such~~ *The* crop lien ~~shall~~ *may* be accepted only under ~~such~~ rules and requirements ~~as~~ *that* may be prescribed by the board of hail insurance and ~~provided~~ *under the provision* that the board may cancel any hail insurance accepted in violation of ~~said~~ *the* rules and requirements. Upon receipt of ~~said~~ *the* application, the ~~county assessor~~ *department of revenue* shall make *a* record ~~thereof~~ *of the application* and shall file the original in the office of the clerk and recorder of ~~said~~ *the* county. ~~He~~ *The department of revenue* shall also cause an assessment for the proper amount to be made on the ~~assessment rolls~~ *property tax record* in the same manner provided for in the case of other special levies or assessments.

(3) ~~No~~ *A* tenant who has delinquent hail insurance ~~which~~ *that* was secured by a crop lien only and not secured by real estate ~~shall~~ *may not* be allowed another policy in any succeeding year until ~~he pays his~~ *the* delinquent account or accounts *are paid* or until ~~he~~ *the tenant* pays cash for the current hail insurance.

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(4) If ~~any~~ *a* tenant becomes delinquent for ~~his~~ hail insurance after having failed to apply for relief as provided by the board under 80-2-229, ~~he~~ *the tenant* may apply to the board for a reduction. If ~~his~~ *the* reasons for requesting a reduction are approved by the board, the board may reduce ~~his~~ *the* charge to not less than one-half the original amount charged."

Section 148. Section 80-2-225, MCA, is amended to read:

"**80-2-225. Real estate lien — creation.** ~~Such~~ *The* tax levies are chargeable to the lands of each taxpayer~~, respectively,~~ who elects to become subject to this part and ~~shall~~ *must* be ~~extended on~~ *entered in* the *property* tax ~~roll~~ *record* and collected by the officers charged with such duties in the manner and form as are other property taxes. ~~and if~~ *If the levies are* not paid, ~~shall be~~ *they are* a lien on the lands against which ~~the same~~ *they* are levied *in the same manner* as are other property taxes. ~~The lien may in no way affect mortgages that are of record on March 14, 1917. The lien of any mortgage filed subsequent to March 14, 1917, shall be subsequent to any lien for hail insurance hereafter levied thereon.~~"

Section 149. Section 81-2-302, MCA, is amended to read:

"**81-2-302. Duty of ~~county assessor~~ *department of revenue*.** The ~~assessment roll~~ *property tax record* of the county in which the disease control area is to be established is the basis for computing the required percentage of livestock owners and livestock. The ~~county assessor~~ *department of revenue* shall certify to the department when the necessary 75% of the owners of livestock representing not less than 50% of the species of livestock to be inspected, tested, treated, or vaccinated have signed the required petition."

Section 150. Section 81-4-511, MCA, is amended to read:

"**81-4-511. Assessment of horses taken in roundup.** ~~It shall be the duty of the county assessor~~ *Following a roundup held pursuant to this part, the department of revenue shall* immediately ~~to~~ assess all horses *that have been* taken up in ~~such~~ *a* roundup ~~which shall~~ *and that may* be sold or reclaimed before sale and not already assessed for the current year. ~~and forthwith~~ *The department of revenue shall* transmit to the county treasurer a copy of each assessment made. Any ~~such~~ horses ~~which~~ *that* have escaped the assessment mentioned in 81-4-501 ~~shall~~ *must* be assessed as provided for in 15-8-306."

Section 151. Section 81-4-513, MCA, is amended to read:

"**81-4-513. Report of roundup foreman — disposition of copies.** The roundup foreman in charge of ~~any such~~ *the* roundup shall keep an accurate record of all proceedings ~~had~~ under the order for ~~such~~ *the* roundup.~~, and within~~ *Within* 30 days after ~~such~~ *the* roundup ~~shall be~~ *is* completed, ~~he must~~ *the foreman shall* prepare in triplicate and verify by ~~his~~ oath a full, true, and accurate report of all the proceedings ~~taken or had~~ under the order for the roundup.~~, among other things, particularly including~~ *The report must include* a complete financial statement, the number and description of horses impounded, and ~~how disposed of~~ *the manner of disposition of the horses.* ~~Within said 30 days one of such triplicates of such~~ *One copy of the* report ~~shall~~ *must* be filed with the clerk of the board of county commissioners, and ~~such~~ *the* filing ~~shall be~~ *is* notice ~~to the world~~ of ~~all~~ the contents of ~~such~~ *the* report and prima facie proof of the facts ~~therein~~

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stated *in the report.* ~~Within said 30 days one of such triplicate shall also~~ *One copy of the report must* be filed with the ~~county assessor~~ *department of revenue,* and one *copy must be filed* with the county treasurer, for their information and appropriate action."

Section 152. Section 81-4-516, MCA, is amended to read:

"81-4-516. Limitation of powers or duties of officers. Except as ~~herein~~ provided *in this part,* ~~nothing herein contained shall~~ *this part may not* be construed as limiting the powers or duties of ~~assessors~~ *the department of revenue,* county treasurers, or other boards or officers."

Section 153. Section 81-7-303, MCA, is amended to read:

"81-7-303. County commissioners permitted to require per capita license fee on sheep. (1) To defray the expense of ~~such~~ protection, the board of county commissioners of any county ~~shall have the power to~~ *may* require all owners or persons in possession of any sheep ~~coming~~ 1 year old or ~~over~~ *older* in the county on the regular assessment date of each year to pay a *per capita* license fee in an amount to be determined by the board ~~on a per head basis for sheep so owned or possessed by him in the county~~. All owners or persons in possession of any sheep ~~coming~~ 1 year old or ~~over~~ *older* coming into the county after the regular assessment date and subject to taxation under the provisions of 15-24-301 ~~shall also be~~ *are* subject to payment of the license fee ~~herein prescribed~~.

(2) Upon the order of the board of county commissioners, ~~such~~ *the* license fees may be imposed by ~~the entry thereof in~~ *entering* the name of the licensee upon the property tax ~~rolls~~ *record* of the county by the ~~county assessor~~ *department of revenue.* ~~Said~~ *The* license fees ~~shall be~~ *are* payable to and *must be* collected by the county treasurer.~~, and when so~~ *When* levied, ~~shall be~~ *the fees are* a lien upon the property, both real and personal, of the licensee. ~~In case~~ *If* the person against whom ~~said~~ *the* license fee is levied ~~owns no~~ *does not own* real estate against which ~~said~~ *the* license fee is or may become a lien, then ~~said~~ *the* license fee ~~shall be~~ *is* payable immediately upon its levy and the treasurer shall collect the ~~same~~ *fee* in the manner provided by law for the collection of personal property taxes ~~which~~ *that* are not a lien upon real estate.

(3) When collected, ~~said~~ *the* fees ~~shall~~ *must* be placed ~~by the treasurer~~ in the predatory animal control fund and the ~~moneys in said~~ fund ~~shall~~ *may* be expended on order of the board of county commissioners of the county for predatory animal control only."

Section 154. Section 85-7-2136, MCA, is amended to read:

"85-7-2136. Collection of taxes or assessment. (1) On or before the third Monday in August of each year, the board of commissioners shall furnish ~~the agent of~~ *to* the department of revenue ~~in each county in which any of the lands of the district are situated~~ a correct list of all the district lands in the county, together with the amount of the total taxes or assessments against the lands for district purposes. The ~~agent of the~~ department of revenue ~~in each county~~ shall immediately upon receipt of the list~~, and prior to the delivery of the assessment book to the county treasurer, cause~~ *enter* the assessment roll ~~to be entered~~ in the ~~assessment book~~ *property tax record* of the county for each year.

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(2) ~~It is the duty of the~~ *The* county treasurer of each county in which any irrigation district is located, in whole or in part, ~~to~~ *shall* collect and receipt for all taxes and assessments levied by the district, in the same manner and at the same time as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. The treasurer shall receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not.

(3) During the water delivery season, as determined by the irrigation district commissioners, the county treasurer shall make available to the board of commissioners of an irrigation district notice of the receipt of payments of district assessments by 9 a.m. on the day following receipt of those payments.

(4) If requested in writing by a board of commissioners of an irrigation district, the county treasurer may receive assistance from an employee of the irrigation district or a commissioner of the district for the purpose of collecting district assessments as provided in 15-16-102, investing district funds as directed by the board of commissioners of the district, and preparing district assessment notices.

(5) When any real estate on account of which the district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of the district tax or assessment, together with the penalty and interest to date of payment on ~~such~~ *the* installment. However, the payment may not be considered a redemption of the property from the tax sale but must be credited on account of any redemption that may be made. In case of any payment pursuant to this subsection, a separate tax receipt must issue, showing exactly what assessments have been paid, and must show that no other tax on the real estate has been received by the treasurer. The county treasurer may not collect, ~~or~~ receive, or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any irrigation district upon which an assessment for the purposes of the irrigation district has been levied unless the assessment levied for irrigation district purposes is paid as permitted in this section and the receipt for the payment presented to the county treasurer at the time the taxes are paid, or paid at the same time."

Section 155. Section 85-8-601, MCA, is amended to read:

"**85-8-601. Certification and collection of district taxes.** (1) On or before the third Monday in August of each year, the commissioners shall certify to ~~the agent of~~ the department of revenue ~~in each county wherein the lands of the district are situate~~ a correct list of all the district lands in ~~such~~ *each* county and the owners ~~thereof~~ *of the lands*, together with a statement of the amount of the total tax or assessment against ~~said~~ *the* lands for district purposes for that year. The ~~agent of the~~ department of revenue ~~in each county~~ shall immediately ~~thereupon cause said~~ *enter the* assessment roll ~~to be entered~~ in the ~~assessment book~~ *property tax record* of ~~said~~ *the* county for each year ~~and prior to the delivery of the assessment book to the county treasurer~~.

(2) ~~It shall be the duty of the~~ *The* county treasurer of each county in which ~~any~~ *a* drainage district is located, in whole or in part, ~~to~~ *shall* collect and receipt for all taxes and assessments levied by ~~any such~~ *the* district, in the same manner and at the same time as is required in the collection of taxes upon real estate

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for county purposes as provided in 15-16-102~~;~~. ~~provided~~ *However,* the treasurer ~~shall~~ *must* receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not. When any real estate on account of which ~~such~~ *the* district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of ~~such~~ *the* district tax or assessment, together with the penalty and interest to date of payment on ~~such~~ *the* installment~~;~~. ~~provided that such~~ *However, the* payment ~~shall~~ *may* not be ~~deemed~~ *considered* a redemption of ~~said~~ *the* property from ~~such~~ *the* tax sale, but ~~shall~~ *must* be credited on account of any redemption that may ~~thereafter~~ *later* be made. In case of any payment pursuant to this subsection, a separate tax receipt ~~shall issue~~ *must be issued* showing exactly what assessments have been paid and ~~shall show~~ *showing* that no other tax on ~~said~~ *the* real estate has been received by ~~said~~ *the* treasurer~~;~~. ~~provided such~~ *However, the* county treasurer ~~shall~~ *may* not collect, ~~or~~ receive, or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any drainage district upon which an assessment for the purposes of ~~such~~ *the* drainage district has been levied unless the assessment levied for ~~such~~ *the* drainage district purposes ~~be~~ *is either* paid as ~~herein permitted~~ *provided in this section* and the receipt ~~therefor~~ *is* presented to the county treasurer at the time ~~such~~ *the real estate* taxes are paid~~,~~ or paid at the ~~same~~ time *the drainage district taxes are paid.*"

Section 156. Section 85-9-603, MCA, is amended to read:

"**85-9-603. Directors to provide ~~county officials with~~ financial information.** (1) Before the second Monday in July of each year, the directors shall provide the ~~county assessor~~ *department of revenue* and *the county* treasurer with:

(a) the budget for the current fiscal year;

(b) a statement of the amount of special assessments to be collected for the districts; *and*

(c) a listing of all real property within the district.

(2) If the district is located in more than one county, the directors shall provide this information to *the department of revenue and* each of the *affected* county ~~assessors and~~ treasurers."

Section 157. **Taxation of personal property — duty of department.** (1) If the taxes on personal property are not a lien upon real property in the same county in an amount sufficient to secure the payment of the taxes, the department shall assess the property and compute the tax for the assessment. The department shall notify the county treasurer of the assessment and the amount of taxes due. To compute the taxes due on the personal property, the department shall use the appropriate mills levied during the previous year.

(2) The county treasurer shall notify the person against whom the tax is assessed and any other person having a properly perfected security interest of record of the amount and due date of the tax. The tax is due and payable 30 days from the date the treasurer mails the notice. Taxes not paid within 30 days

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become delinquent, and the penalty and interest provisions of 15-16-101 must be applied.

(3) The county treasurer shall, after the tax becomes delinquent, levy upon and take into possession the personal property against which a tax is assessed or any other personal property in the hands of the delinquent taxpayer. The county treasurer may proceed to sell the property in the same manner as property is sold on execution by the sheriff.

(4) The county treasurer shall, for the purpose of making the levy and sale, direct the sheriff to make the levy and sale. The sheriff, undersheriff, or any deputy sheriff of the county is ex officio a deputy county treasurer for sale purposes and may receive payment of the taxes, penalty, and interest. The sheriff may receive the same fees as for making a seizure and sale as provided in 15-17-911.

(5) The county treasurer and the treasurer's sureties are liable on the treasurer's official bond for all taxes on personal property remaining uncollected by reason of the willful failure and neglect of the treasurer to levy upon and sell the personal property for the taxes levied upon the property, including penalty and interest.

(6) Failure by the sheriff, undersheriff, or deputy sheriff acting as a deputy county treasurer to make the levy and sale results in a levy against the official bond of the sheriff, undersheriff, or deputy sheriff for payment of the delinquent tax, including penalty and interest.

(7) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17.

Section 158. **Assessors qualifying as employees.** (1) A person serving as a county assessor on January 1, 1994, may qualify to become an employee of the department of revenue upon satisfying the following conditions:

(a) The assessor shall notify the department in a written statement received by January 4, 1994, of the assessor's intention to become an employee.

(b) The assessor shall resign from that office effective no later than January 24, 1994.

(2) This section does not apply to a person who is an assessor because the office of assessor was consolidated with another county office prior to [the effective date of this section].

Section 159. **Classification and salary for qualifying assessor.** (1) The position for which a qualifying county assessor is employed as provided in [section 158] must be classified in accordance with the classification standards for state employees.

(2) The initial salary for qualifying assessors is determined as follows:

(a) If an assessor's salary as established by resolution of the board of county commissioners for fiscal year 1994 is greater than the market salary under

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2-18-312 for the grade of the new position, the initial salary is the same as the amount set by the resolution of the board of county commissioners.

(b) If an assessor's salary as established by the board of county commissioners for fiscal year 1994 is less than the applicable entry-level salary under 2-18-312, the initial salary is the entry-level salary for the grade of the new position.

(3) If, after initial employment, a qualifying assessor is transferred to a different position because of a disciplinary action against the assessor, the assessor's salary must be determined according to the rules and policies governing employee disciplinary actions.

(4) If, after initial employment, a qualifying assessor voluntarily seeks and obtains a transfer to a different employment position, the person's salary must be based upon the grade classification of that new position without regard to this section.

Section 160. **Benefits for qualifying assessors.** (1) In addition to other benefits provided by law, county assessors qualifying for employment with the department of revenue under [section 158] are entitled to the following benefits:

(a) credit for time served as an assessor for completing new employee probationary requirements and for determining years of service for annual vacation leave entitlements;

(b) an initial allowance of annual leave of 40 hours. Annual leave taken must first be credited against this initial allowance. Cash compensation is not allowed under 2-18-617 for any portion of this initial allowance that is unused at termination of employment.

(c) an initial allowance of sick leave of 40 hours. Sick leave taken must first be credited against this initial allowance. A lump-sum payment is not allowed under 2-18-618 for any portion of this initial allowance that remains at termination of employment.

(2) All uninterrupted time served as an assessor is considered as state service for the purposes of 2-18-304.

Section 161. **Required employment — department excused from hiring practices.** (1) The department of revenue shall employ:

(a) any assessor who qualifies under [section 158] to become an employee of the department; and

(b) deputy assessors appointed before November 12, 1993, with continuous service through January 4, 1994, who by that date make a written request for employment.

(2) The department is exempt from compliance with any statute, rule, or policy that requires competitive, formal hiring practices in employing qualifying assessors. Hiring preferences and the provisions of Title 2, chapter 18, part 12, do not apply to the hiring of eligible former assessors.

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(3) Deputy assessors who become employees of the department are considered employees transferring between agencies of the same jurisdiction for the purposes of 2-18-617 and 2-18-618.

Section 162. **Department contract for county assessor.** (1) The department of revenue may, with the consent of the assessor, contract with the county for the assessor to perform assessment work as assigned by the department. Under this contract, the department shall reimburse the county for one-half of the wages and benefits of the assessor. An assessor performing work under this contract is not considered to be an employee of the department for any purpose. However, the department may pay the assessor's salary and benefits and be reimbursed by the county for the county's share of the salary and benefits.

(2) As a condition for the continuation of a contract under this section, the contract must provide that the assessor meet the qualification and certification standards required for department assessment personnel who perform comparable duties.

Section 163. **Consolidation of office of county assessor — special procedure — transfer of records.** (1) The board of county commissioners may consolidate the office of county assessor with another county office. For a consolidation under this section, the notice of hearing need only be published once, notwithstanding the provisions of 7-1-2121. The publication may not be less than 3 days prior to the date of the hearing. In all other respects, the notice must be published in accordance with 7-4-2307.

(2) If the assessor becomes an employee of the department of revenue as provided in [section 161], the order of the county commissioners combining the offices under this section must be made and entered no later than January 14, 1994. After January 14, 1994, the office of the county assessor may be consolidated pursuant to Title 7, chapter 4, part 23.

(3) Notwithstanding the provisions of 7-4-2311, when an order is made under subsection (2) to consolidate the office of assessor with another office, the outgoing assessor shall deliver and transfer to the department all of the books, files, papers, documents, maps, plats, and records of the office. The department shall maintain necessary records and documents within the county for public access during normal business hours, unless the department needs the records and documents for appraisal purposes. The records and documents may be made available from county officials.

Section 164. **State not obliged to reimburse county for assessor salary.** Except for contracts under [section 162] between the department of revenue and a county regarding its county assessor, the department may not pay or reimburse a county for any part of the salary or benefits earned by an assessor or deputy assessor after January 14, 1994.

Section 165. **Advisory committee — study of taxation of motor vehicles and mobile homes.** (1) The governor shall appoint an advisory committee to study the valuation and taxation of motor vehicles and mobile homes. The membership of the committee must include:

(a) a county treasurer;

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(b) a county assessor (or former county assessor);

(c) an employee of the department of justice, motor vehicle division, selected by the division administrator;

(d) an employee of the department of transportation, selected by the director of the department of transportation; and

(e) an employee of the department of revenue, property assessment division, selected by the division administrator.

(2) The committee shall meet when requested by the director of revenue.

(3) The committee shall study methods and processes for valuation and taxation of motor vehicles and mobile homes. The committee shall submit its recommendations to the director of revenue.

(4) All administrative and secretarial support for the committee is provided by the department of revenue.

(5) All reimbursable expenses, including travel and per diem expenses, must be charged to the department of revenue.

Section 166. **Office hours.** Notwithstanding the provisions of 2-16-117, the department of revenue may determine by rule the office hours for property appraisal and assessment field offices located in the various counties. This section does not apply to any other offices of the department.

Section 167. Section 7-4-3007, MCA, is amended to read:

"7-4-3007. Qualifications for office of county assessor — forfeiture of office. (1) In addition to the qualifications set forth in 7-4-2201, each assessor, before entering the duties of ~~his~~ office, ~~must~~ *shall*:

(a) take and file with the county clerk the constitutional oath of office; and

(b) certify to the county clerk that:

(i) ~~he~~ *the assessor* has satisfactorily completed the assessor certification training as provided in ~~15-8-106(2)~~ *15-7-106(4)*; or

(ii) ~~he~~ *the assessor* intends to take the assessor certification training at the next offering.

(2) An assessor forfeits ~~his~~ office for failure to take and satisfactorily complete the assessor certification training within 36 months after taking office by election or appointment or for failure to satisfactorily complete ~~annual~~ continuing education ~~as provided in 15-8-106~~ *when conducted by the department of revenue*, unless the board of county commissioners finds that:

(a) the assessor is excused for reasons beyond ~~his~~ *the assessor's* control, including illness, a death in the family, or other good cause; or

(b) there is no other qualified person available for appointment as assessor.

(3) Subsections (1)(b) and (2) do not apply to county officers who are county assessors because their county office has been consolidated with the office of

county assessor and who are not contractually required to perform property assessment duties for the department."

Section 168. **Appropriations.** (1) The fiscal 1995 general fund appropriation for the property valuation division, department of revenue, as specified under item 7, page 2607, section 15, Chapter 623, Laws of 1993, including any amendments by the special session convening November 29, 1993, is reduced by $1,200,000.

(2) There is appropriated to the department of revenue from the account provided for in [section 2] an amount not to exceed $1 million for each year of the biennium.

Section 169. **Repealer.** Sections 7-2-2753, 7-6-2540, 15-1-403, 15-1-506, 15-7-213, 15-8-103, 15-8-105, 15-8-106, 15-8-114, 15-8-302, 15-8-705, 15-8-706, 15-9-102, 15-10-301, 15-10-302, 15-10-303, 15-10-304, 15-10-306, 15-10-307, 15-10-308, 15-16-111, 15-16-112, 15-16-113, 15-16-114, and 15-30-228, MCA, are repealed.

Section 170. **Codification instructions.** (1) [Section 2] is intended to be codified as an integral part of Title 15, chapter 1, part 5, and the provisions of Title 15, chapter 1, part 5, apply to [section 2].

(2) [Section 157] is intended to be codified as an integral part of Title 15, chapter 16, part 1, and the provisions of Title 15, chapter 16, part 1, apply to [section 157].

Section 171. **Applicability.** (1) [Section 127] applies retroactively, within the meaning of 1-2-109, to terminations on or after June 25, 1993.

(2) [Sections 1 through 37, 39 through 107, 111, 115 through 167, and 169] apply to tax years after December 31, 1993.

(3) [Sections 38, 108 through 110, and 112 through 114] apply to tax years after December 31, 1994.

Section 172. **Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 173. **Effective dates.** (1) [Sections 1 through 126, 128 through 157, and 165 through 167] are effective January 1, 1994.

(2) [Sections 127, 158 through 164, and 168 through 172 and this section] are effective on passage and approval.

Approved December 27, 1993.

CHAPTER NO. 28

[HB 4]

AN ACT ALLOWING THE USE OF INMATE LABOR FOR CONSTRUCTION OF THE DAIRY DORMITORY AT THE MONTANA STATE PRISON AS

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AUTHORIZED IN SECTIONS 2 AND 18, CHAPTER 624, LAWS OF 1993; UNDER CERTAIN CIRCUMSTANCES, ALLOWING THE PROJECT TO BE EXEMPT FROM PUBLIC BIDDING, BONDING, CONTRACTS, WORKERS' COMPENSATION COVERAGE, OR LABOR AND WAGE REQUIREMENTS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Department of Corrections and Human Services is trying to expand the number and variety of productive work experiences for inmates at the Montana State Prison; and

WHEREAS, the prison ranch is recognized as a productive work site; and

WHEREAS, the Department wishes to contribute to statewide efforts to balance the budget but is unable to absorb further operating budget reductions; and

WHEREAS, construction of the low-security facility using inmate labor as authorized by the 51st Legislature was both an effective work experience and cost-reduction measure.

Be it enacted by the Legislature of the State of Montana:

Section 1. **Authorization of inmate labor for designated construction project — exemptions.** (1) The department of corrections and human services is authorized to use inmate labor for the purpose of constructing the dairy dormitory at the Montana state prison authorized in sections 2 and 18, Chapter 624, Laws of 1993.

(2) The department of administration may exempt the project authorized in this section from the provisions of any applicable Montana law relating to public bidding, bonding, contracts, workers' compensation coverage, or labor and wage requirements.

(3) The department of administration is directed to provide for construction of the project authorized in this section, which is to be built by the lowest responsible bidder, with contract specifications to allow the use of inmate labor. The percentage of inmate labor must be determined prior to the advertising for bid of the project through negotiations among the department of corrections and human services, the department of administration, representatives of construction industry employers, and representatives of the building trades. Inmate labor shall work in a training or apprenticeship program. If the department rejects all bids, it is authorized to build the project using inmate labor.

Section 2. **Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, and the part remains in effect in all valid applications that are severable from the invalid applications.

Section 3. **Effective date.** [This act] is effective on passage and approval.

Approved December 27, 1993.

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CHAPTER NO. 29

[HB 8]

AN ACT ALLOWING THE USE OF MONTANA STATE PRISON STAFF FOR INSTALLATION AND MAINTENANCE OF THE MONTANA STATE PRISON SECURITY FENCE REAUTHORIZED IN SECTION 18, CHAPTER 624, LAWS OF 1993; EXEMPTING THE PROJECT FROM PUBLIC BIDDING REQUIREMENTS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE.

WHEREAS, the Department of Corrections and Human Services Montana State Prison staff is knowledgeable concerning the installation and maintenance of the authorized security fence; and

WHEREAS, security of the institution is best preserved through the use of prison staff to install and maintain the security fence project.

THEREFORE, the Legislature of the State of Montana finds it appropriate to authorize the use of Montana State Prison staff for the purpose of the installation and maintenance of the security fence at Montana State Prison.

Be it enacted by the Legislature of the State of Montana:

Section 1. **Authorization of Montana state prison staff for designated construction project — exception.** (1) The department of corrections and human services may use prison staff for the purpose of installation and maintenance of the Montana state prison security fence reauthorized in section 18, Chapter 624, Laws of 1993.

(2) The department of administration may exempt the project referred to in subsection (1) from the provisions of any applicable Montana law relating to public bidding and construction contracts.

(3) Prison staff engaged in the security fence project is governed by the staff's existing employment agreements and is not eligible for additional compensation or benefits not currently provided by the existing employment agreements.

Section 2. **Effective date.** [This act] is effective on passage and approval.

Section 3. **Termination.** [This act] terminates June 30, 1995.

Approved December 27, 1993.

CHAPTER NO. 30

[HB 2]

AN ACT GENERALLY REVISING APPROPRIATIONS AND APPROPRIATION LAWS FOR THE BIENNIUM ENDING JUNE 30, 1995; PROHIBITING THE PASS-THROUGH OF GENERAL FUND REDUCTIONS TO LOCAL GOVERNMENTS; AMENDING SECTIONS 11 AND 15, CHAPTER 623, LAWS OF 1993, CITED AS THE GENERAL APPROPRIATIONS ACT OF 1993; AMENDING SECTION 2, CHAPTER 624, LAWS OF 1993, AND SECTION 1,

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CHAPTER 550, LAWS OF 1993; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15, Chapter 623, Laws of 1993, is amended to read:

"Section 15. **Appropriations.** The following money is appropriated for the respective fiscal years:

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
A. GENERAL GOVERNMENT AND HIGHWAYS												
LEGISLATIVE AUDITOR (1101)												
1. Audit and Examination Program (01)												
	~~1,354,483~~	~~1,416,333~~				~~2,770,816~~	~~1,346,956~~	~~1,398,837~~				~~2,745,793~~
	1,301,386	*1,415,583*				*2,716,969*	*1,351,011*	*1,397,966*				*2,748,977*
a. SJR 28 — Legislative Audit Request — Hard-Rock Bureau (Biennial)												
		1,200				1,200						
b. *State Fund Cost Allocation*												
		835				*835*		*1,676*				*1,676*
2. Vacancy Savings												
	52,958					52,958	53,221					53,221
3. Personal Services Contingencies (Restricted/Biennial)												
	5,296					5,296	5,322					5,322
4. Budget Balancing Reduction												
	6,534					6,534	6,455					6,455
Total												
	~~1,300,287~~	~~1,417,533~~				~~2,717,820~~	~~1,284,686~~	~~1,398,837~~				~~2,683,523~~
	1,247,190	*1,417,618*				*2,664,808*	*1,296,657*	*1,399,642*				*2,696,299*

If Senate Bill No. 28 is not passed and approved, the general fund appropriation in item 1 is reduced by $2,620 in fiscal 1994 and by $25,380 in fiscal 1995.

~~Item 1a is contingent on passage of Senate Joint Resolution No. 28.~~

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

LEGISLATIVE FISCAL ANALYST (1102)

1. Analysis and Review (01)												
	~~821,376~~					~~821,376~~	~~851,562~~					~~851,562~~
	820,800					*820,800*	*843,037*					*843,037*
a. Legislative Requests (Restricted/Biennial)												
	4,000					4,000						
2. Budget Balancing Reduction												
	4,127					4,127	4,258					4,258

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total										
~~821,249~~					~~821,249~~	~~847,304~~					~~847,304~~
820,673					820,673	838,779					838,779

Of the amount appropriated as item 1a, legislative contingencies, to the office of the legislative fiscal analyst in section 1, Chapter 17, Special Laws of July 1992, amending section 1, Chapter 13, Special Laws of January 1992, amending section 1, Chapter 815, Laws of 1991, any unexpended funds up to $16,000 are reappropriated to the analysis and review program (program 01) within the office of the legislative fiscal analyst. The funds reappropriated to the analysis and review program are appropriated for the 1995 biennium for expenses associated with the review required in Senate Bill No. 378.

LEGISLATIVE COUNCIL (1104)

1. Interim Studies and Conferences (05)

   a. Interim Studies (Biennial)

~~146,250~~					~~146,250~~					
116,341					116,341					

2. Legislative Council Operations (10)

~~1,633,279~~	~~917,104~~				~~2,550,383~~	~~1,915,606~~	~~442,751~~			~~2,358,357~~
1,630,885	915,457				2,546,342	1,911,880	440,286			2,352,166

   a. Legislative Branch Computer Network (Restricted)

208,130					208,130	230,870				230,870

3. Budget Balancing Reduction

9,938					9,938	10,732				10,732

Total										
~~1,937,721~~	~~917,104~~				~~2,854,825~~	~~2,135,744~~	~~442,751~~			~~2,578,495~~
1,945,418	915,457				2,860,875	2,132,018	440,286			2,572,304

Individual activities in the interim studies program are budgeted as follows:

Joint Interim Committees	$44,762
Revenue Oversight Committee	21,479
Administrative Code Committee	7,232
Select Committee on Indian Affairs	7,193

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Specir Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
Commission on Uniform State Laws						35,000						
Northwest Economic Region Conference						~~30,584~~						
						675						
Statewide Issues						0						
National Conference of State Legislatures						0						

Of the amount appropriated as item 1, interim studies and conferences (program 5), to the legislative council in section 1, Chapter 17, Special Laws of July 1992, amending section 1, Chapter 13, Special Laws of January 1992, amending section 1, Chapter 815, Laws of 1991, ~~$125,000~~ *$66,875* is reappropriated to item 1a, the interim studies and conferences program (program 5), within the legislative council. The funds reappropriated to the interim studies and conferences program are appropriated for the 1995 biennium.

The legislative council may allocate money appropriated in item 1a among the individual activities listed above in order to complete work assigned by the legislature.

ENVIRONMENTAL QUALITY COUNCIL (1111)

1. Environmental Quality Program (01)												
	277,908					277,908	~~279,226~~					~~279,226~~
							274,226					*274,226*
2. Water Policy Committee (02)												
a. Water Policy Committee (Biennial)												
		27,256				27,256						
3. Budget Balancing Reduction												
	1,390					1,390	1,396					1,396
Total												
	276,518	27,256				303,774	~~277,830~~					~~277,830~~
							272,830					*272,830*

CONSUMER COUNSEL (1112)

1. Administration Program (01)												
	847,855					847,855		848,798				848,798
a. Consultant Contingency (Restricted)												
	100,000					100,000		100,000				100,000
b. Utility Economist												
	54,270					54,270		54,113				54,113

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total		1,002,125				1,002,125		1,002,911				1,002,911

Item 1a is for expert witness fees for unanticipated cases.

JUDICIARY (2110)

1.	Supreme Court Operations (01)											
	~~1,497,465~~					~~1,497,465~~	~~1,506,673~~					~~1,506,673~~
	1,495,996					1,495,996	1,504,100					1,504,100
	a. Legislative Audit (Restricted/Biennial)											
	17,321					17,321						
	b. SB 271 — Pilot Program for Local Citizen Review Boards (Restricted/Biennial)											
	~~113,232~~					~~113,232~~						
	75,000		75,000			150,000			75,000			75,000
2.	Boards and Commissions (02)											
	250,408					250,408	258,458					258,458
3.	Law Library (03)											
	~~592,196~~					~~592,196~~	~~603,166~~					~~603,166~~
	591,085					591,085	601,167					601,167
4.	District Court Operations (04)											
	2,908,966					2,908,966	2,920,214					2,920,214
5.	Water Courts Supervision (05)											
		524,836				524,836		520,823				520,823
	a. Legislative Audit (Restricted/Biennial)											
		1,053				1,053						
6.	Clerk of Court (06)											
	181,421					181,421	181,531					181,531
7.	Vacancy Savings											
	23,626	8,115				31,741	23,626	8,119				31,745
8.	Personal Services Contingencies (Restricted/Biennial)											
	2,362	1,623				3,985	2,362	1,623				3,985
9.	Budget Balancing Reduction											
	27,133					27,133	27,244					27,244

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
~~5,512,512~~	519,397				~~6,032,663~~	~~5,421,534~~	514,327				~~5,935,861~~
5,471,800		75,000			6,066,197	5,416,962		75,000			6,006,289

~~Contingent on passage and approval of Senate Bill No. 271, the appropriation in item 1b is appropriated to the office of the supreme court administrator for allocation to the youth court of the judicial districts designated, pursuant to Senate Bill No. 271, for a pilot program for local citizen review boards for foster care placements.~~

GOVERNOR'S OFFICE (3101)

1. Executive Office Program (01)										
~~618,667~~	125,455				~~1,044,322~~	~~923,276~~	125,627				~~1,048,903~~
918,268					1,043,723	922,199					1,047,826
a. Legislative Audit (Restricted/Biennial)										
22,764					22,764						
b. Montana Community Service Act (Biennial)										
	500,000				500,000						
2. Mansion Maintenance Program (02)										
49,561					49,561	49,999					49,999
3. Air Transportation Program (03)										
135,328	10,000				145,328	152,770	10,000				162,770
a. Expand Aircraft Usage										
	32,000				32,000		32,000				32,000
4. Office of Budget and Program Planning (04)										
~~811,416~~					~~811,416~~	~~811,590~~					~~811,590~~
815,877					815,877	810,276					810,276
a. Legislative Audit (Restricted/Biennial)										
14,309					14,309						
~~5. Northwest Regional Power Act (09)~~										
		~~415,760~~			~~415,760~~			~~422,838~~			~~422,838~~
6 5. Lieutenant Governor (12)										
182,499	15,000				197,499	184,624	15,000				199,624
a. Office of Public Policy Dispute Resolution										
	65,000				65,000		65,000				65,000
~~7~~ 6. Citizens' Advocate Office (16)										
60,889		15,000			75,889	58,943		15,000			73,943

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
8 7. Mental Disabilities Board of Visitors (20)												
	144,765		54,437			199,202	147,063		54,656			201,719
9 8. Vacancy Savings												
	88,999	8,158				97,157	89,086	3,000				92,086
10 9. Budget Balancing Reduction												
	10,934					10,934	10,836					10,836
Total												
	~~2,245,655~~	739,297	~~489,405~~			~~3,474,360~~	~~2,228,345~~	244,627	~~492,494~~			~~2,965,466~~
	2,244,327		69,437			3,053,061	2,225,952		69,656			2,540,235

The governor is encouraged to work with executive branch agencies and other elected officials toward cost savings during the 1995 biennium by implementing improved efficiencies, economies of scale, streamlined supervision, and better coordination of services among agencies. In particular, the governor is encouraged to identify duplicative services and FTE within executive branch agencies to promote consolidation and cost savings. This should include but not be limited to attorneys, environmental specialists, statisticians, grant writers, economists, and biologists.

The governor is further encouraged to foster development of a mission-driven budget system, including the development of flexible, unified budgets and the development of an incentive system to encourage agencies to generate cost savings and reduced expenditures. This initiative should include working toward the development of a results-oriented system for budgeting, including budgeting by performance and outcome measures and seeking flexibility and improvement in the quality of decisionmaking information available to the legislature in the 1995 session. The departments of administration, revenue, military affairs, and transportation should be used for pilot projects in developing an innovative budget system.

The pacific northwest electric power and conservation planning council is required to submit to the legislative finance committee an annual expenditure report on all costs, including salaries and benefits paid to council members and staff, related to Montana participation on the council.

It is the intent of the legislature that salaries for the Montana members of the pacific northwest electric power and conservation planning council be consistent with the salary levels of the directors of the Montana executive branch agencies.

OFFICE OF THE SECRETARY OF STATE (3201)

1. Business and Government Services (01)								
~~52,361~~		~~1,006,005~~	~~1,058,366~~	~~69,646~~		~~927,577~~	~~997,223~~	
41,511		1,003,119	1,044,630	69,495		924,671	994,166	
a. Legislative Audit (Restricted/Biennial)								
683		12,975	13,658					
b. Fireproof Storage								
~~2,500~~		47,500	~~50,000~~					
0			47,500					
c. *State Fund Cost Allocation*								
		376	376			756	756	

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
2. Administrative Code Program (03)												
				~~210,760~~		~~210,760~~				~~200,170~~		~~200,170~~
				210,689		*210,689*				*200,050*		*200,050*
a. Legislative Audit (Restricted/Biennial)				2,927		2,927						
b. *State Fund Cost Allocation*				*49*		*49*				*97*		*97*
3. Records Management (04)												
				~~362,130~~		~~362,130~~				~~366,053~~		~~366,053~~
				361,998		*361,998*				*365,726*		*365,726*
a. Legislative Audit (Restricted/Biennial)				2,927		2,927						
b. *State Fund Cost Allocation*				*130*		*130*				*264*		*264*
4. Vacancy Savings												
1,380				42,385		43,765	1,384			42,485		43,869
5. Budget Balancing Reduction												
271						271	341					341
Total												
~~51,843~~				~~1,603,883~~		~~1,655,782~~	~~67,761~~			~~1,451,321~~		~~1,519,244~~
40,543				*1,600,305*		*1,640,848*	*67,770*			*1,449,079*		1,516,849

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

COMMISSIONER OF POLITICAL PRACTICES (3202)

1. Administration (01)												
~~126,562~~						~~126,562~~	~~126,931~~					~~126,931~~
126,510						*126,510*	*126,837*					*126,837*
a. Legislative Audit (Restricted/Biennial)												
3,252						3,252						
2. Vacancy Savings												
4,879						4,879	4,895					4,895
3. Budget Balancing Reduction												

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	625					625	610					610
Total	~~124,310~~					~~124,310~~	~~121,426~~					~~121,426~~
	124,258					*124,258*	*121,332*					*121,332*
OFFICE OF THE STATE AUDITOR (3401)												
1. Central Management (01)												
	~~323,190~~	3,650		7,300		~~334,140~~	~~323,509~~	3,656		7,311		~~334,476~~
	323,130					*334,080*	*305,901*					*316,868*
a. Legislative Audit (Restricted/Biennial)												
	2,497					2,497						
b. Glacier General Liquidation												
		10,000				10,000		*10,000*				10,000
2. Insurance Program (03)												
	~~1,118,415~~	~~41,050~~				~~1,160,446~~	~~1,115,601~~	~~41,050~~				~~1,157,651~~
	1,118,193	*41,698*				*1,159,691*	*1,107,688*	*41,668*				*1,149,336*
a. Legislative Audit (Restricted/Biennial)												
	10,614					10,614						
b. Insurance Examination Costs												
		91,800				91,800		38,000				38,000
c. SB 354 — Insurance Industry Continuing Education Program												
		115,848				115,848		99,782				99,782
d. HB 273 — Auto Glass Insurance Practices												
	10,000					10,000	10,000					10,000
e. SB 430 — Insurance Regulatory Program Accreditation												
		287,452				287,452		269,052				269,052
3. Securities (04)												
	~~332,661~~					~~332,661~~	~~333,385~~					~~333,385~~
	332,513					*332,513*	*333,185*					*333,185*
a. Legislative Audit (Restricted/Biennial)												
	3,122					3,122						
b. SB 314 — Securities Portfolio Registration Program												
		75,500				75,500		63,732				63,732

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
4. Fiscal Control and Management Program (10)												
	~~213,701~~	~~515,461~~		~~156,124~~		~~884,286~~	~~213,646~~	~~536,760~~		~~156,563~~		~~907,107~~
	218,407	507,443		156,044		881,894	211,565	533,792		156,458		901,815
a. Legislative Audit (Restricted/Biennial)		23,753		1,563		25,316						
b. Bad Debts Expansion				~~37,474~~		~~37,474~~				~~37,474~~		~~37,474~~
				37,370		37,370				37,370		37,370
5. Vacancy Savings												
	76,301	9,017		8,043		93,361	76,430	9,059		8,066		93,555
6. Budget Balancing Reduction												
	9,671					9,671	9,551					9,551
Total												
	~~1,934,420~~	~~1,151,282~~		~~194,438~~		~~3,780,140~~	~~1,810,582~~	~~1,051,704~~		~~193,302~~		~~3,157,068~~
	1,932,503	1,148,127		194,233		3,274,865	1,882,358	1,050,623		193,073		3,126,054

The state auditor shall deposit into a state special revenue account funds received from examination of insurance companies, liquidation of the glacier general assurance company, and licensing of out-of-state insurance agents.

The department shall develop and submit a cost recovery plan for the warrant writing system to the office of budget and program planning and the legislative fiscal analyst by June 1, 1994. The total program cost estimate used to allocate the fees must be reduced by the estimated amount of the state special revenue fund balance for the program that will carry over from the 1995 biennium.

The fixed cost rates charged to state agencies by the state auditor for warrant writing services (object code 2113) may not be higher than the amount necessary to fund the expenses of the agency for providing those services, as appropriated in the state pay plan and [this act], and to fund any unforeseen costs that would require supplemental funding.

~~Item 2c is contingent on passage and approval of Senate Bill No. 354.~~

~~Item 2d is contingent on passage and approval of House Bill No. 273.~~

~~Item 2e is contingent on passage and approval of Senate Bill No. 430.~~

~~Item 3b is contingent on passage and approval of Senate Bill No. 314.~~

CRIME CONTROL DIVISION (4107)

	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1. Justice System Support Service (01)												
	~~463,524~~	~~108,324~~	~~204,054~~			~~767,902~~	~~467,863~~	~~108,325~~	~~204,053~~			~~332,241~~

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	460,533	100,264	207,054			767,851	464,519	100,216	207,053			771,788
a.	D.A.R.E. Program Pass-Through Grants (Biennial)											
		20,000				20,000		20,000				20,000
b.	Juvenile Justice Pass-Through Grants (Biennial)											
			410,000			410,000			410,000			410,000
c.	Victims' Assistance Pass-Through Grants (Biennial)											
			381,000			381,000			381,000			381,000
d.	Drug Education Pass-Through Grants (Biennial)											
			466,588			466,588			466,588			466,588
e.	Drug Enforcement Pass-Through Grants (Biennial)											
			2,132,386			2,132,386			2,132,386			2,132,386
f.	Crime Victims' Compensation Pass-Through Benefits (Biennial)											
		455,000	135,000			590,000		455,000	135,000			590,000
g.	Indian Victim Assistance Pass-Through Grants (Biennial)											
			70,000			70,000			70,000			70,000
h.	Improved Victim Services											
		2,020				2,020		1,960				1,960
i.	SB 292 — Youth Detention Services Grant Administration											
		48,937				48,937		49,170				49,170
2.	Vacancy Savings											
	2,556	3,173				5,729	2,586	3,181				5,767
3.	Budget Balancing Reduction											
	2,305					2,305	2,326					2,326
Total												
	~~458,663~~	~~623,198~~	~~3,794,028~~			~~4,880,799~~	~~462,951~~	~~623,274~~	~~3,799,027~~			~~4,885,252~~
	455,472	623,048	3,802,028			4,880,548	459,607	623,165	3,802,027			4,884,799

All remaining federal pass-through grant appropriation authority for the 1993 biennium is authorized to continue into fiscal 1994 and fiscal 1995.

The board of crime control shall charge tuition and fees sufficient to reimburse the general fund for costs associated with the juvenile justice training program and for technical assistance provided to local law enforcement agencies. The tuition and fees collected must be deposited in the general fund.

HIGHWAY TRAFFIC SAFETY (4108)

1.	Highway Traffic Safety Division (36)											
	183,080	~~305,039~~	1,308,397			~~1,876,516~~	183,080	~~306,104~~	1,306,686			~~1,875,870~~

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		85,039				1,576,516		86,104				1,575,870
2.	Vacancy Savings											
	1,471	3,093				4,564	1,476	3,113				4,589
3.	Budget Balancing Reduction											
	908					908	908					908
Total												
	180,701	~~84,946~~	1,306,147			~~1,671,044~~	180,696	~~82,305~~	1,306,686			~~1,670,373~~
		81,946				1,571,044		82,991				1,570,373
DEPARTMENT OF JUSTICE (4110)												
1.	Legal Services Division (01)											
	~~1,305,661~~					~~1,305,661~~	~~1,316,121~~					~~1,316,121~~
	1,305,399					1,305,399	1,316,289					1,316,289
	a. Case-Related Travel (Restricted)											
	9,500					9,500	9,500					9,500
	b. Other Litigation Costs (Restricted/Biennial)											
	100,000					100,000						
	c. Major Litigation Costs (Restricted/Biennial)											
	400,000					400,000						
	d. Additional Attorney											
	51,000					51,000	51,000					51,000
2.	Agency Legal Services (06)											
				~~607,148~~		~~607,148~~				~~614,435~~		~~614,435~~
				606,995		606,995				614,178		614,178
	a. *State Fund Cost Allocation*											
				508		508				1,024		1,024
3.	Gambling Control Division (07)											
	1,433,173					1,433,173		1,433,725				1,433,725
	a. Retain Gambling Expansion Staff											
	207,331					207,331		207,478				207,478
	b. HB 609 — Transfer Liquor Investigation Function											
				314,770		314,770				318,973		318,973
	c. *State Fund Cost Allocation*											

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		1,375		367		1,742		2,772		740		3,512
4.	Motor Vehicle Division (12)											
	~~4,[illegible]155~~	~~1,[illegible]~~	~~14,500~~			~~6,145,350~~	~~1,606,454~~	~~4,444,203~~	12,500			~~6,143,071~~
	4,932,649	1,121,376	22,000			6,076,025	1,756,753	4,239,491				6,006,744
	a. *Reinstate Administrative Officer*											
	43,500					43,500	43,500					43,500
	b. ADP Transfer to State Mainframe											
	~~344,341~~					~~344,341~~	~~657,615~~					~~657,615~~
	332,675					332,675	634,795					634,795
	c. *State Fund Cost Allocation*											
	979					979		1,974				1,974
5.	Highway Patrol Division (13)											
		~~12,710,163~~	604,120			~~13,314,283~~		~~12,662,069~~	611,652			~~13,273,721~~
		12,710,163				13,314,283		12,662,069				13,273,721
	a. *Highway Patrol Recruit School 1995*							170,000				170,000
	b. *State Fund Cost Allocation*											
	10,661					10,661		21,491				21,491
6.	Law Enforcement Services Division (18)											
	~~1,[illegible]~~	53,000	~~387,144~~			~~2,127,314~~	~~1,687,815~~	43,000	379,182			~~2,109,198~~
	1,637,830		436,144			2,126,974	1,686,403					2,108,585
	a. Automated Fingerprint Identification (AFIS)											
			360,000			360,000			360,000			360,000
	b. WC Investigator/Support Staff											
	65,132					65,132		90,204				90,204
	c. SB 164 — WC Investigation Unit											
		276,100				276,100		183,500				183,500
	d. HB 222 — Fire Protection Equipment Licensing Program											
		88,200				88,200		82,300				82,300
	e. HB 609 — Transfer Public Assistance Investigation Function											
			113,747	56,983		170,730			112,427	45,580		158,007
	f. Criminal History Record Backlog											
			47,000			47,000						

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
g. State Fund Cost Allocation		412		131		543		831		264		1,095
7. County Attorney Payroll (19)												
	1,324,476					1,414,476	1,350,492					1,350,492
8. Law Enforcement Academy Division (22)												
	640,467					640,467	640,878					640,878
a. MLEA Facility Enhancement												
	~~42,640~~					~~47,640~~	104,500					104,500
	38,140					38,140						
9. Central Services Division (28)												
	~~123,110~~	~~444,117~~		~~9,232~~		~~576,459~~	~~178,142~~	~~266,652~~		~~8,872~~		~~453,666~~
	287,253	236,279		9,232		431,764	177,992	266,850		9,864		453,706
a. Legislative Audit (Restricted/Biennial)												
	12,756	29,570		924		43,252						
b. Drug Prevention Coordinator												
	45,000					45,000	45,000					45,000
c. State Fund Cost Allocation		199		8		207		401		16		417
10. Data Processing Division (29)												
	~~927,417~~	318,000				~~1,245,417~~	~~618,228~~	330,000				~~1,266,228~~
	927,080					1,245,080	937,621					1,267,621
a. State Fund Cost Allocation		272				272		549				549
11. Extradition and Transportation of Prisoners (30)												
	144,945					144,945	151,720					151,720
12. Forensic Science Division (32)												
	962,796	270,000				1,232,796	951,090	270,000				1,221,090
a. Firearms and Toolmarks Examiner												
	52,839					52,839	52,839					52,839
b. State Fund Cost Allocation		230				230		463				463
13. Vacancy Savings												
	384,962	572,183		38,980		996,125	385,050	569,837		39,075		993,962
14. Budget Balancing Reduction												

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
61,020					61,020	54,832					54,832
Total											
~~12,877,618~~	~~16,230,479~~	~~1,473,511~~	~~650,871~~		~~31,536,479~~	~~9,631,325~~	~~19,253,591~~	1,475,761	~~949,785~~		~~31,310,462~~
12,688,325	*16,243,269*	*1,583,011*	*950,938*		*31,465,543*	*9,472,490*	*19,446,261*		*951,564*		*31,346,076*

The legislature recognizes that costs associated with litigation in which the legal services division must provide representation to the state of Montana may exceed the appropriation provided in item 1c. In that event, the department will need to request a supplemental appropriation from the 1995 legislature to adequately represent the state.

The department is authorized to request a budget amendment for the rural statewide intelligence network if federal grant funds become available during the 1995 biennium.

The department is directed to prepare a plan to privatize all state driver's license examination stations and to present this plan to the legislative audit committee by July 1, 1994. The department shall also prepare a plan by July 1, 1994, in consultation with the superintendent of public instruction, to have driver's license examinations of students conducted, under the supervision and direction of the department, by local school district staff of traffic education programs administered by the superintendent of public instruction.

The department is directed to negotiate with communities, alternative vendors, and/or other governmental agencies to achieve greater cost reductions and improved access to driver's license examination services for the 1997 biennium.

The department is to develop a plan for streamlining operations, improving efficiencies, and better coordination of services for the gambling control division. The plan is to be submitted to the legislative finance committee before June 1, 1994.

The department shall work with the department of transportation to develop a plan for coordination of truck inspection and safety. The plan is to be submitted to the legislative finance committee before June 1, 1994.

The department is authorized to transfer the retirement contributions provided under 19-6-404 and 61-5-121(1)(a) in fiscal 1994 and fiscal 1995 from the highway patrol retirement clearing account in the state special revenue fund to the Montana highway patrol officers' retirement pension trust fund. An appropriation must be established each year in the amount required to be transferred.

The department shall, in consultation with the department of administration, review the cost-effectiveness, along with other relevant considerations, of operating its in-house duplicating facilities compared to department of administration services. The department shall report its conclusions, along with department of administration comments, to the office of budget and program planning and the office of the legislative fiscal analyst by June 1, 1994, and to the respective appropriations subcommittee of the 1995 legislature.

The legislature recognizes that the Montana supreme court decision in Woith v. Cascade County may require payment from the state general fund to the property taxpayers in Cascade County. In that event, the department shall request a supplemental appropriation from the 1995 legislature for those payments.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF TRANSPORTATION (5401)

1. General Operations Program (01)

~~7,159,081~~	1,577,324	~~8,736,405~~	~~7,192,357~~	1,503,533	~~8,695,890~~
7,147,027		*8,724,351*	*7,181,681*		*8,685,214*

a. Legislative Audit (Restricted/Biennial)

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	Fiscal 1994					Fiscal 1995				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		77,398				77,398						
b.	Compliance Review Staff (Restricted)											
		211,847				211,847		201,259				201,259
c.	Federal Motor Fuel Compliance Act (Restricted)											
			50,000			50,000			50,000			50,000
d.	Highway Information System (Restricted)											
		20,000	80,000			100,000		140,000	560,000			700,000
e.	Information Service Staff (Restricted)											
		13,228	52,914			66,142		13,248	52,990			66,238
f.	Project Financial Management System (Restricted)											
		13,228	52,914			66,142		21,248	84,990			106,238
g.	FHWA Grant Administration											
		24,274				24,274		24,309				24,309
h.	Multi-Modal Planning											
			374,010			374,010			124,189			124,189
i.	Highway Performance Monitoring System (Restricted)											
			191,638			191,638			91,770			91,770
j.	Transportation Improvement Plan (Restricted)											
			142,374			142,374			142,531			142,531
k.	Scenic Byways Program (Restricted)											
		34,878	139,514			174,392		12,236	48,944			61,180
l.	HB 539 — Tax Special Fuel at Distributor Level (Restricted)											
		104,000				104,000						
m.	*State Fund Cost Allocation*											
		76,069				76,069		157,149				157,149
2.	Construction Program (02)											
		56,059,870	158,008,618			214,068,488		56,255,070	159,025,210			215,280,280
a.	Analytic Stero Plotter											
		225,000				225,000						
3.	Maintenance Program (03)											
		50,141,898	88,914			50,230,812		50,396,784	88,914			50,485,698
a.	Roadway Striping											
		1,000,000				1,000,000		1,000,000				1,000,000
b.	Ice Control Material											

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	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		Fiscal 1994						Fiscal 1995				
		1,285,091				1,285,091		1,373,391				1,373,391
c.	Hazardous Waste (Restricted)	1,000,000				1,000,000		1,000,000				1,000,000
d.	Pavement Preservation	6,500,000				6,500,000		6,500,000				6,500,000
e.	Rest Areas Maintenance	165,000				165,000		165,000				165,000
4.	State Motor Pool (07)			~~892,944~~		~~892,944~~				~~766,788~~		~~766,788~~
				892,883		*892,883*				766,597		766,597
a.	*State Fund Cost Allocation*			*324*		*324*				*854*		*854*
5.	Equipment Program (08)			15,066,844		15,066,844				15,575,944		15,575,944
a.	Equipment — Sweepers			1,000,000		1,000,000						
b.	*State Fund Cost Allocation*			*7,632*		*7,632*				*15,359*		*15,359*
6.	Interfund Transfers Program (11)	14,625,413				14,625,413		15,691,130				15,691,130
7.	Stores Inventory (12)	14,474,899				14,474,899		14,645,376				14,645,376
a.	Roadway Striping — Stores	1,000,000				1,000,000		1,000,000				1,000,000
b.	Ice Control Material — Stores	1,285,091				1,285,091		1,373,391				1,373,391
c.	Pavement Preservation — Stores	6,500,000				6,500,000		6,500,000				6,500,000
8.	Gross Vehicle Weight Division (22)	4,165,437	16,000			4,181,437		4,193,816				4,193,816
9.	Aeronautics Program (40)	538,845	91,800	72,618		703,263		554,684	91,800	73,402		719,886
a.	*State Fund Cost Allocation*	*256*		*34*		*290*		515		*69*		*584*

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
10. Rail and Transit Program (50)	32,288	315,224	1,564,790			1,912,302	32,416	314,742	1,544,739			1,891,897
a. FTA Section 3 Grant			449,609			449,609						
b. FTA Section 8 Grant			107,022			107,022			107,022			107,022
c. FTA Section 18 Grant			261,870			261,870			261,870			261,870
d. FTA Section 26(A)(2) Grant			44,806			44,806			44,806			44,806
e. FTA Section 16(B)(2) Grant			67,398			67,398			67,398			67,398
f. Urban Planning Program		36,658	245,328			281,986		36,663	245,360			282,023
g. McCarty Farms Litigation (Restricted/Biennial)	100,000					100,000						
h. FTA Grant Pass-Through Authority		174,013				174,013		108,513				108,513
11. Vacancy Savings	557	1,985,761		229,598		2,215,916	568	2,005,602		232,879		2,239,049
12. Budget Balancing Reduction	659					659	159					159
Total	131,072	~~165,164,612~~	163,606,763	~~16,802,608~~		~~345,705,255~~	31,689	~~166,767,615~~	164,736,066	~~16,183,175~~		~~347,658,545~~
		165,230,903		16,810,837		345,779,575		166,854,603		16,199,346		347,821,704

Of the amount appropriated in item 1, $41,154 must be repaid to the state compensation mutual insurance fund to reimburse the fund for compensation benefits improperly paid to department of transportation employees who were receiving sick or annual leave benefits. The money received by the state compensation mutual insurance fund must be deposited in the fund from which the benefits were paid.

~~Item 11 is contingent on passage and approval of House Bill No. 539.~~

The department is directed to submit to the 1995 legislature a construction work plan for the years 1995 through 1999 that is detailed by year and project. This work plan must specify, by road system or project area, proposed projects on which $1 million or more would be spent during the 1997 biennium and an aggregate cost for projects with anticipated expenditures of less than $1 million. Costs must be detailed by year and project.

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	Fiscal 1994						Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The department may adjust appropriations and FTE in the construction, interfund transfers, and maintenance programs between fiscal years to reflect actual expenditures related to the construction work plan and maintenance activities.

The department may adjust appropriations in the construction and rail and transit programs between fund types, provided that the adjustment does not exceed 10% of the total appropriation established by the legislature for the construction or rail and transit program and provided that the general fund appropriation in the rail and transit program does not increase over the amount established by the legislature. All transfers between fund types must be fully explained and justified on budget documents submitted to the office of budget and program planning, and all fund transfers of over $1 million in any 30-day period must be communicated to the legislative finance committee in a written report.

The legislature recognizes that costs associated with the McCarty farms litigation may exceed the appropriation in item 10g, and in that event, the department will need to request a supplemental appropriation from the 1995 legislature to adequately represent the state.

The legislature urges the department to review the highway leading most directly between Billings and Great Falls. This corridor is important to the economic well-being of the state of Montana and instrumental in economic development of international trade. The department shall prepare a written report encompassing the condition of the highway and the improvements made and planned to be made. The report must include cost estimates, a tentative schedule, the types of improvements, and a means of financing the construction or reconstruction. This report must be made available to the legislature on or before December 1, 1994.

The legislature eliminates a $100,000 allocation per year included in item 3 from the noxious weed control budget for the purchase of biological agents and designates those funds for general operation of the maintenance program.

The department shall, in consultation with the department of administration, review the cost-effectiveness, along with other relevant considerations, of operating its in-house duplicating facilities compared to department of administration services. The department shall report its conclusions, along with department of administration comments, to the office of budget and program planning and the office of the legislative fiscal analyst by June 1, 1994, and to the respective appropriations subcommittee of the 1995 legislature.

Item 8 includes authority for the department to assess equity ratios upon highway users in order to determine if the GVW fees revised by the 1993 legislature are equitable. If inequities are revealed, the department shall prepare an amended fee schedule for presentation to the 1995 legislature. If any inequity is greater than the imbalance identified in the original cost responsibility study, the department shall prepare legislation correcting the inequity.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF REVENUE (5801)

1. Director's Office (01)										
~~649,854~~	2,274	4,147	~~160,178~~		~~1,094,453~~	~~861,241~~		~~160,268~~		~~1,442,465~~
849,195			160,127		1,035,943	861,210		160,179		1,041,389
a. Legislative Audit (Restricted/Biennial)										
87,446	2,274	1,269	27,710		118,699					
b. *State Fund Cost Allocation*										
			312		312			622		622
2. Centralized Services Division (02)										
~~393,682~~					~~393,682~~	~~398,404~~				~~398,404~~
796,856					796,856	797,385				797,385

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
3. Data Processing Division (03)												
	~~966,173~~	~~86,832~~		~~545,189~~		~~1,598,414~~	~~966,128~~	~~86,818~~		~~545,099~~		~~1,598,045~~
	965,841	86,783		544,877		1,597,501	965,412	86,754		544,695		1,596,861
a. *State Fund Cost Allocation*												
	146			924		1,070		292		1,845		2,137
4. Liquor Division (05)												
				259,457		259,457				260,222		260,222
5. Income Tax (06)												
	~~4,188,878~~	~~512,434~~				~~4,701,557~~	~~4,134,201~~	~~512,434~~				~~4,646,755~~
	4,173,421	510,461				4,683,882	4,119,631	510,329				4,629,960
a. Cigarette Tax Funding/Stamps												
		15,000				15,000		30,000				30,000
b. *State Fund Cost Allocation*												
	907					907		1,808				1,808
6. Corporation Tax (07)												
	~~1,330,121~~	62,413	154,868			~~1,547,602~~	~~1,334,840~~	62,675	156,151			~~1,553,666~~
	1,329,317					1,546,598	1,333,627					1,552,453
a. Royalty Audit FTE												
			37,670			37,670			37,714			37,714
b. *State Fund Cost Allocation*												
	446					446		892				892
7. Property Valuation Division (08)												
	~~13,042,450~~					~~13,042,450~~	~~13,068,772~~					~~13,068,772~~
	13,041,671					13,041,671	11,868,082					11,868,082
a. BEVS Computer Processing												
	~~45,000~~					~~45,000~~	~~60,000~~					~~60,000~~
	43,425					43,425	86,850					86,850
b. SB 168 — Agricultural Land Valuations (Restricted)												
	261,432					261,432	4,968					4,968
8. Vacancy Savings												
	796,153	22,930		43,340		862,423	798,283	23,018		43,845		865,146
9. Budget Balancing Reduction												
	102,559					102,559	102,280					102,280

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	Fiscal 1994					Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total	~~[illegible]~~	~~658,647~~	197,954	~~[illegible]~~		~~[illegible]~~	~~[illegible]~~	~~670,748~~	193,865	~~541,744~~		~~24,163,289~~
	20,650,092	657,774		970,067		22,475,887	19,136,602	669,732		943,718		20,943,917

Liquor division proprietary funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor operation are appropriated in amounts not to exceed $50,662,000 in fiscal 1994 and $52,765,000 in fiscal 1995. During the 1995 biennium, the division shall attempt to return at least 10% of net sales. Net sales are gross sales less discounts and all taxes collected. The division shall limit operational expenses of the liquor merchandising system to not more than 15% of the net sales. Operational expenses may not include product costs, freight charges, expenses allocable to other divisions, or licensing bureau expenses.

It is the intent of the legislature that the department vigorously pursue collection of the dangerous drug tax pursuant to Title 15, chapter 25, part 1.

~~If the referendum to enact a general sales tax and to provide tax reform in Senate Bill No. 235 is approved by the electorate in the special election provided for by [section 184 of Senate Bill No. 235], there is appropriated from the state special revenue account created in Senate Bill No. 235 to the department of revenue up to $4,511,707 in fiscal 1994 and up to $5,684,062 in fiscal 1995 for the purpose of administering the provisions of Senate Bill No. 235. In accordance with 17-2-107(2)(c), the legislature authorizes the department of administration to provide an interentity loan to the department of revenue for these amounts during the 1995 biennium. These loans must be repaid from proceeds of the sales tax deposited in the state special revenue account.~~

~~If the referendum to enact a general sales tax and to provide tax reform as provided in Senate Bill No. 235 is approved by the electorate at the June 8, 1993, special election provided for by [section 184 of Senate Bill No. 235], there is appropriated from the sales tax and use tax account established in [section 71 of Senate Bill No. 235] to the department of revenue the amounts necessary to provide the property tax replacement revenue for taxing jurisdictions as provided for in 15-1-111(5) through (13), as amended by Senate Bill No. 235, and in [section 125 of Senate Bill No. 235], regarding reimbursement to local governments and schools, in fiscal 1994 and fiscal 1995.~~

If House Bill No. 50 is not passed and approved, the general fund appropriation in item 7 is increased by $1,200,000 in fiscal 1995. If House Bill No. 50 is passed and approved, the $1,200,000 reduction that is reflected in item 7, which is a result of the House Bill No. 50 proposal to streamline the property valuation division, is not intended to be in addition to any reduction to the general appropriations act that is also contained in House Bill No. 50.

The department shall provide 1993 income taxpayers with an informational form and appropriate instructions that will permit the taxpayers to determine what their individual tax liability would be under the provisions of House Bill No. 671 enacted as Chapter 634, Laws of 1993, by the 1993 regular session of the legislature. The form must be clearly marked "for informational purposes only". If possible, the forms must be included with the mailing of the 1993 income tax forms. If not, the informational forms must be mailed to taxpayers together with any forms necessary for the implementation of the provisions of House Bill No. 29 if that act is passed and approved.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF ADMINISTRATION (6101)

1.	Director's Office (01)					
	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~92,178~~	~~334,796~~
	243,825	91,612	335,437	242,442	92,116	334,558
	a. *State Fund Cost Allocation*	74	74		148	148
2.	Accounting and Management Support (03)					

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	~~652,380~~			~~68,148~~		~~1,020,530~~	~~941,972~~			~~67,426~~		~~1,012,898~~
	949,130			68,121		1,017,251	941,836			67,879		1,009,715
	a. Legislative Audit (Restricted/Biennial)											
	42,227					42,227						
	b. CMIA Implementation											
			30,057			30,057			30,058			30,058
	c. *State Fund Cost Allocation*											
				42		42				84		84
	d. *State Fund Cost Allocation Plan Administration*											
	10,918					10,918	18,692					18,692
3.	Architecture and Engineering (04)											
		~~719,451~~				~~719,451~~		~~722,648~~				~~722,648~~
		719,100				719,100		722,016				722,016
	a. Legislative Audit (Restricted/Biennial)											
		1,499				1,499						
	b. *State Fund Cost Allocation*											
		1,731				1,731		3,447				3,447
4.	Procurement and Printing (06)											
	~~422,617~~			~~10,441,514~~		~~10,864,567~~	~~424,779~~			~~10,534,810~~		~~11,369,589~~
	422,421			10,441,131		10,863,552	424,417			10,973,314		11,397,731
	a. Legislative Audit (Restricted/Biennial)											
				19,273		19,273						
	b. Montana Fueling Program											
				~~117,081~~		~~117,081~~				~~111,645~~		~~117,645~~
				116,103		116,103				116,065		116,065
	c. Natural Gas Procurement											
				114,000		114,000				125,000		125,000
	d. Excess Property Program											
				200,000		200,000				200,000		200,000
	e. *State Fund Cost Allocation*											
				4,839		4,839				9,654		9,654
5.	Information Services Division (07)											
				~~19,691,426~~		~~19,691,426~~				~~19,105,081~~		~~19,105,081~~

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
				19,669,787		19,669,787				19,102,133		19,102,133
a.	Legislative Audit (Restricted/Biennial)			60,022		60,022						
b.	Backup Network Control Center			250,000		250,000				250,000		250,000
c.	Interactive Voice Response			183,049		183,049				48,092		48,092
d.	HB 99 Implementation			130,800		130,800				130,800		130,800
e.	HB 520 — Electronic Bulletin Board			43,191		43,191				41,691		41,691
f.	*State Fund Cost Allocation*			*9,424*		*9,424*				*18,828*		*18,828*
6.	General Services Division (08)											
~~224,215~~				3,450,082	58,801	~~3,733,098~~	~~483,993~~			3,536,709	58,801	~~3,079,503~~
369,046						*3,877,929*	*374,704*					*3,970,214*
a.	Legislative Audit (Restricted/Biennial)			6,811		6,811						
b.	Major Maintenance Projects			100,000		100,000				100,000		100,000
c.	Major Maintenance Contingency Fund (Biennial)			100,000		100,000						
d.	*State Fund Cost Allocation*			*1,953*		*1,953*				*3,907*		*3,907*
7.	Central Mail (13)											
				~~1,941,214~~		~~1,941,214~~				~~1,911,586~~		~~1,911,586~~
				1,941,059		*1,941,059*				*1,911,293*		*1,911,293*
a.	Legislative Audit (Restricted/Biennial)			3,643		3,643						
b.	Central Mail Bar Encoding			119,600		119,600				162,000		162,000
c.	Central Mail Expansion			504,323		504,323				504,387		504,387
d.	*State Fund Cost Allocation*											

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
				956		956				1,910		1,910
8.	State Personnel Division (23)											
	~~899,444~~			~~694,335~~		~~1,593,779~~	~~902,684~~			~~671,524~~		~~1,574,208~~
	898,959			693,493		1,592,452	901,891			670,602		1,572,493
	a. Legislative Audit (Restricted/Biennial)											
				1,140		1,140						
	b. Benefits Computer System (Biennial)											
				~~305,000~~		~~305,000~~						
				304,825		304,825						
	c. Personal Services Contingency (Restricted/Biennial)											
	528,633	1,023,914		329,756	12,067	1,894,370	453,498	1,035,235		335,695	11,633	1,836,061
	d. HB 428 — Statewide Benefits Program											
				19,600		19,600				19,600		19,600
	e. State Payroll											
	~~204,615~~	~~210,239~~				~~414,854~~	~~170,035~~	~~222,043~~				~~400,078~~
	202,930	208,138				411,068	176,480	220,104				396,584
	f. Legislative Audit — State Payroll (Restricted/Biennial)											
		44,955				44,955						
	g. *State Fund Cost Allocation*											
				770		770				1,543		1,543
9.	Risk Management and Tort Defense (24)											
				~~2,780,824~~		~~2,780,824~~				~~2,807,191~~		~~2,807,191~~
				2,780,698		2,780,698				2,806,965		2,806,965
	a. Legislative Audit (Restricted/Biennial)											
				5,223		5,223						
	b. Contracted Legal Services											
				150,000		150,000				150,000		150,000
	c. *State Fund Cost Allocation*											
				1,984		1,984				3,943		3,943
10.	State Tax Appeal Board (37)											
	~~394,294~~					~~394,294~~	~~395,735~~					~~395,735~~
	394,179					394,179	395,568					395,568
11.	Vacancy Savings											

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	121,550	30,703		380,341	496	533,090	121,914	30,765		386,503	489	539,671
12.	Budget Balancing Reduction											
	19,805					19,805	19,022					19,022
Total												
	~~3,921,382~~	~~1,969,355~~	30,057	~~41,541,837~~	70,372	~~47,532,6~~	~~3,785,411~~	~~1,941,161~~	30,058	~~40,964,800~~	69,945	~~46,799,337~~
	3,920,913	1,968,634		41,557,043		47,547,019	3,788,592	1,950,037		40,997,855		46,836,487

Item 2d is contingent on passage and approval of House Bill No. 21.

The department may transfer cash from the capital projects fund to the state special revenue fund to fund the appropriation in item 3. The transfer may not exceed the state special revenue fund appropriation for the architecture and engineering division that is included in the state pay plan and [this act].

Funds remaining in the capitol land grant account of the capital projects fund, after the appropriations are met for the general services division of the department and any project provided for in Chapter 774, Laws of 1991, are appropriated to the long-range building debt service fund for the payment of principal and interest on bond issues for public buildings at the capitol for executive, legislative, and judicial purposes, as outlined in section 12 of The Enabling Act. This appropriation is for the biennium ending June 30, 1995, and is not to exceed the annual debt service required on these bonds.

The appropriation in item 6 in the "other" column includes $58,801 in fiscal 1994 and $58,801 in fiscal 1995 from the capital projects fund.

In item 6, the department may charge a maximum of ~~$3.47~~ *$3.42* a square foot in fiscal 1994 and ~~$3.57~~ *$3.48* a square foot in fiscal 1995 for office space in state-owned buildings.

The appropriation in item 6 includes $28,050 in fiscal 1994 and $51,425 in fiscal 1995 proprietary funds that must be transferred to the department of natural resources and conservation for the purpose of paying off general obligation bonds issued by the department of natural resources and conservation to fund energy savings projects.

The department shall develop and submit a cost recovery plan for the state payroll system to the office of budget and program planning and the legislative fiscal analyst by June 1, 1994. The total program cost estimate used to allocate the fees must be reduced by the estimated amount of the state special revenue fund balance for the program that will carry over from the 1995 biennium.

The fixed cost rates charged to state agencies by the department for payroll services (object code 2114) may not be higher than the amount necessary to fund the expenses of the agency for providing those services, as appropriated in the state pay plan and [this act], and to fund any unforeseen costs that would require supplemental funding.

The fixed cost rates charged to state agencies by the department for network services (object code 2174), messenger services (object codes 2304, 2305, and 2307), and rent (object code 2527) may not be higher than the amount necessary to fund the expenses of the department for providing those services, as appropriated in the state pay plan and [this act].

Item 8c contains biennial appropriations that the department and the office of budget and program planning may allocate to executive branch agencies (except the Montana university system), subject to the process described below, for personal services if the agencies did not experience normal turnover or early retirements in an amount necessary to provide full funding for personal services or for the portion of the state payroll program that is underfunded. In allocating the personal service contingency funds, the department and the office of budget and program planning may adjust amounts among fund types, excluding general fund, which may not be adjusted. The appropriation of the agency to which the funds are allocated is increased by the amount of the allocation.

Prior to March 1 of each fiscal year, any agency requesting allocation of these funds shall provide a report to the governor, documenting:

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

(1) that normal turnover of employees and early retirements has not occurred in an amount necessary to provide full funding for personal services;

(2) its efforts to work toward cost savings by implementing efficiencies, economies of scale, streamlined supervision, and better coordination of services provided by that agency; and

(3) its efforts to identify duplication in services provided by the agency or any other agency.

The governor shall respond to requests for these funds by April 1 of each fiscal year. The department and the office of budget and program planning may not allocate these funds prior to approval of the governor.

The governor shall provide periodic reports to the legislative finance committee, documenting allocation of any personal services contingency funds. These reports must include a copy of the reports submitted by the agencies receiving these funds.

~~Item 8d is contingent on passage and approval of House Bill No. 428.~~

If House Bill No. 48 does not pass, it is the intent of the legislature that the department implement accounting procedures to eliminate or reduce the need for loan reserves in the general fund.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

STATE COMPENSATION ~~MUTUAL~~ INSURANCE FUND (6103)

1.	State Fund (01)											
		~~165,685,290~~				~~165,685,290~~		~~180,453,821~~				~~180,453,821~~
		0				0		0				0
	a. Legislative Audit (Restricted/Biennial)											
		~~52,032~~				~~52,032~~						
		0				0						
	b. Imaging System											
		~~283,345~~				~~283,345~~		~~736,476~~				~~736,476~~
		0				0		0				0
	c. New Positions											
		~~143,684~~				~~143,684~~		~~143,050~~				~~143,050~~
		0				0		0				0
	d. Fraud Investigation											
		~~65,000~~				~~65,000~~		~~90,000~~				~~90,000~~
		0				0		0				0
	e. Contract Audits											
		~~295,152~~				~~295,152~~		~~295,152~~				~~295,152~~

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
				0		0				0		0
f.	SB 164 — Workers' Compensation Fraud Investigation/Prosecution											
				~~544,247~~		~~548,661~~				~~361,749~~		~~461,749~~
				0		0				0		0
g.	SB 163 — Montana Safety Culture Act											
				~~4~~		~~4~~				~~364,724~~		~~364,724~~
				0		0				0		0
h.	SB 381 — Underinsured Employers											
				~~68,785~~		~~[illegible]~~						
				0		0						
i.	HB 622 — Revising Workers' Compensation Act											
				~~107,253~~		~~[illegible]~~				~~92,631~~		~~92,631~~
				0		0				0		0
j.	HB 511 — Workers' Compensation Data Base System											
				~~[illegible]~~		~~[illegible]~~				~~152,355~~		~~152,355~~
				0		0				0		0
k.	SB 347 — Workers' Compensation Medical Cost Containment											
				~~[illegible]~~		~~[illegible]~~				~~448,044~~		~~448,044~~
				0		0				0		0
2.	Vacancy Savings											
				~~-21,245~~		~~[illegible]~~				~~-25,555~~		~~-25,555~~
				0		0				0		0
Total				~~[illegible]~~		~~[illegible]~~				~~[illegible]~~		~~[illegible]~~
				0		0				0		0

The legislature is not pleased with the past administration of this fund.

~~Item 1i is contingent on passage and approval of House Bill No. 622.~~

~~Item 1j is contingent on passage and approval of House Bill No. 511.~~

~~Item 1k is contingent on passage and approval of Senate Bill No. 347.~~

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

~~If House Bill No. 13 is passed and approved and if it provides a statutory appropriation for administration and benefit costs of the state compensation mutual insurance fund, all appropriations for the state compensation mutual insurance fund in [this act] are eliminated.~~

The state compensation insurance fund shall, in consultation with the department of administration, review the cost-effectiveness, along with other relevant considerations, of operating its in-house mail facilities compared to department of administration services. The state compensation insurance fund shall report its conclusions, along with department of administration comments, to the office of budget and program planning and the office of the legislative fiscal analyst by June 1, 1994, and to the respective appropriations subcommittee of the 1995 legislature.

PUBLIC EMPLOYEES' RETIREMENT BOARD (6104)

1. Public Employees' Retirement Program (35)					~~1,135,362~~	~~1,135,362~~			~~1,140,224~~	~~1,140,224~~
					1,132,973	*1,132,973*			*1,138,081*	*1,138,081*
a. Legislative Audit (Restricted/Biennial)					35,122	35,122				
b. HB 517 — PERS Retirement Incentives (Restricted)					42,500	42,500				
c. *State Fund Cost Allocation*					*3,608*	*3,608*			*7,088*	*7,088*
2. Vacancy Savings					29,744	29,744			29,835	29,835
Total					~~1,181,230~~	~~1,181,230~~			~~1,110,365~~	~~1,110,369~~
					1,184,459	*1,184,459*			*1,115,334*	*1,115,334*

The amounts listed in items 1, 1a, and 1b are appropriated from the pension trust fund.

~~Item 1b is contingent on passage and approval of House Bill No. 517.~~

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

TEACHERS' RETIREMENT BOARD (6105)

1. Teachers' Retirement System (01)					~~651,275~~	~~651,275~~			~~643,055~~	~~643,055~~
					651,275	651,275			*642,104*	*642,104*
a. Legislative Audit (Restricted/Biennial)					27,805	27,805				
b. HB 244 — Medical Exams										

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	General Fund	State Special Revenue	Fiscal 1994 Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Fiscal 1995 Federal Special Revenue	Propri-etary	Other	Total
					1,200	1,200					1,200	1,200
c. HB 517 — TRS Retirement Incentives (Restricted)					5,750	5,750						
d. *State Fund Cost Allocation*					2,257	2,257					4,544	4,544
2. Vacancy Savings					16,491	16,491					16,544	16,544
Total					~~618,233~~ 671,796	~~618,233~~ 671,796					~~627,711~~ 631,304	~~627,711~~ 631,304

The amounts listed in items 1, 1a, 1b, and 1c are appropriated from the pension trust fund.

~~Item 1c is contingent on passage and approval of House Bill No. 517 with amendments to include the teachers' retirement system.~~

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF MILITARY AFFAIRS (6701)

1. Operations Support (01)												
~~303,542~~					~~343,543~~	~~329,543~~						~~329,543~~
300,727		12,000			312,727	282,693			12,000			294,693
a. Legislative Audit (Restricted/Biennial)												
7,561					7,561							
2. Army National Guard Program (12)												
778,464		1,169,021			1,947,485	791,500			1,178,287			1,969,787
a. Service Agreement Backlog												
2,974		90,056			93,030				17,439			17,439
b. Training Site Funding												
		74,019			74,019				74,109			74,109
c. Environmental Compliance												
		39,216			39,216				39,242			39,242
d. M-1 Tank Security												
		500,000			500,000				500,000			500,000
e. Utility Data Clerk												
		19,596			19,596				19,613			19,613

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
f. M-Coft Utilities			33,000			33,000			34,000			34,000
g. Land Lease — Ft. Harrison			12,000			12,000			12,000			12,000
h. Hangar for Army Guard C-12			20,000			20,000			20,000			20,000
i. Environmental Division Spending Authority			100,000			100,000			100,000			100,000
3. Air National Guard Program (13)	~~166,744~~		1,428,111			~~1,594,855~~	~~170,466~~		1,443,779			~~1,613,965~~
	150,514					1,578,627	154,509					1,597,282
4. Disaster Coordination and Response (21)	227,147		244,936			471,083	225,353		242,110			467,463
a. Legislative Audit (Restricted/Biennial)	5,444		5,444			10,888						
5. Emergency Management Development (24)			345,025			345,025			331,576			331,576
a. Legislative Audit (Restricted/Biennial)			4,234			4,234						
6. Local Civil Defense Reimbursement (29)			600,000			600,000			600,000			600,000
7. Veterans' Affairs Division (31)	538,321	42,254				580,575	549,922	28,755				578,677
a. Legislative Audit (Restricted/Biennial)	7,561					7,561						
b. Cemetery Sexton (0.25 FTE)		5,682				5,682		5,689				5,689
8. Vacancy Savings	55,157	465				56,122	55,278	948				56,226
9. Budget Balancing Reduction	10,013					10,013	10,006					10,006
Total	~~1,598,524~~	46,971	~~4,681,648~~			~~6,723,151~~	~~1,391,110~~	43,496	~~4,446,145~~			~~6,646,735~~

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	Fiscal 1994						Fiscal 1995					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1,953,545		4,695,656			6,696,174	1,927,673		4,624,169			6,595,338

In item 3, up to 1.0 firefighter FTE may be added if the current contract is modified or becomes unnecessary.

TOTAL SECTION A

~~54,473,612~~	~~140,844,614~~	~~175,593,734~~	~~2,38,45~~,~~110~~	~~1,923,081~~	~~654,305,494~~	~~50,737,102~~	~~1~~,~~28~~,~~125~~	~~176,446,126~~	~~243,491,304~~	~~1,608,045~~	~~666,968,987~~
54,083,351	190,621,822	175,368,305	62,083,424	1,926,627	484,083,529	49,252,007	194,322,701	176,313,288	60,734,635	1,816,583	482,439,214

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
B. HUMAN SERVICES												
DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES (5301)												
1. Director's Office (01)												
	~~141,559~~		47,234	~~541,000~~		~~730,793~~	~~142,113~~		47,445	~~541,004~~		~~730,662~~
	141,531			543,800		732,565	142,430			540,712		730,477
a. Legal Services (Restricted)												
	15,000					15,000	15,000					15,000
b. Community Outreach												
				46,812		46,812				46,812		46,812
2. Central Services (02)												
	~~278,556~~	~~1,524,373~~	265,000	~~1,211,756~~		~~3,279,685~~	~~264,445~~	~~1,563,438~~	265,000	~~1,232,507~~		~~3,325,390~~
	278,556	1,524,373		1,215,212		3,268,141	264,445	1,563,438		1,231,729		3,324,622
a. Legislative Audit (Restricted/Biennial)												
				55,281		55,281						
b. Laboratory Contingency (Restricted/Biennial)												
		100,000				100,000						
c. Medical Technologist												
		32,498				32,498		34,233				34,233
d. Laboratory Analysis Automation (Biennial)												
		53,500				53,500						
e. Network Software Upgrades												
				61,000		61,000				18,000		18,000
f. ICP Replacement (Biennial)												
		250,000				250,000						
g. SSA Contract												
			12,000			12,000			12,000			12,000
h. Central Cashier												
				33,191		33,191				28,788		28,788
i. Data Processing												
				110,075		110,075				148,310		148,310
j. Departmental Move												
		105,084	76,916			185,000		92,636	65,925			158,561
k. Accounting												

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	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			Fiscal 1994						Fiscal 1995			
				191,138		191,138				142,774		142,774
l. Laboratory		23,058				23,058		23,064				23,064
3. Environmental Sciences (03)	~~369,744~~	~~1,925,881~~	1,191,677	~~163,406~~		~~3,650,708~~	~~370,587~~	~~2,033,707~~	1,082,131	~~163,644~~		~~3,650,072~~
	369,744	1,925,881		163,406		3,649,708	370,587	2,033,707		163,644		3,650,072
a. Billings/Laurel Sulfur Dioxide		400,000				400,000		190,000				190,000
b. AQB Operating Permit Program		518,236				518,236		745,602				745,602
c. HB 567 — Commercial Medical Hazardous Waste Incinerators		61,620				61,620		57,170				57,170
4. Solid and Hazardous Waste (04)	146,447	3,444,201	4,658,944			8,249,592	147,111	3,492,879	4,728,183			8,368,173
a. Junk Vehicle (Restricted)		30,000				30,000		30,000				30,000
b. LUST — Cost Recovery			200,000			200,000			200,000			200,000
c. Clark Fork Basin Manager		49,880				49,880		49,892				49,892
d. Tank Installer		51,615				51,615		51,616				51,616
e. CECRA Program Expansion		191,576				191,576		182,863				182,863
f. GIS — ARCO		417,728				417,728		417,750				417,750
g. Burlington Northern Cleanup		125,000				125,000		125,000				125,000
h. DSL Abandoned Mines		40,000				40,000		40,000				40,000
i. Superfund DOD			100,000			100,000			100,000			100,000
j. SB 284 — Underground Tank Installer Permits		11,500				11,500		10,500				10,500

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	General Fund	State Special Revenue	Fiscal 1994 Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Fiscal 1995 Federal Special Revenue	Propri-etary	Other	Total
k. HB 592 — Hazardous Waste Management Permit Fees		126,240				126,240		121,240				121,240
5. Water Quality (05)		~~1,239,811~~ 1,723,576	4,268,772			~~5,508,583~~ 5,992,348		~~1,696,444~~ 1,696,333	4,251,890			~~5,948,657~~ 5,948,223
a. Clean Lakes/Volunteer Monitoring		72,010	280,000			352,010		57,116	280,000			337,116
b. Public Water Supply/Subdivisions		202,933				202,933		190,933				190,933
c. Water Pollution Control			202,393			202,393			190,390			190,390
d. Nonpoint Source/Wetlands			482,452			482,452			481,180			481,180
e. Construction Sludge			35,626			35,626			33,626			33,626
f. Pollution Prevention			36,626			36,626			33,626			33,626
g. Storm Water Program			107,259			107,259			101,260			101,260
h. HB 388 — Water Quality Fees		769,892		51,248		821,140		777,388		51,529		828,917
i. *Operator Training Account — Penalties (Biennial)*		60,000				60,000						
6. Health Services and Medical Facilities (06)		~~[illegible]~~ 589,837	476,770			~~1,856,638~~ 1,856,338	~~692,111~~ 692,111	~~585,975~~ 585,975	373,820			~~1,852,451~~ 1,851,906
a. Robert Wood Johnson		~~149,597~~ 149,597				~~149,597~~ 149,597		~~149,651~~ 149,651				~~149,761~~ 149,651
b. Trauma Registry			134,561			134,561			134,568			134,568
c. Trauma Care Planning			171,337			171,337			171,337			171,337
d. Primary Care Grant												

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			113,876			113,876			113,879			113,879
e.	Rural Physicians Residency Program *(Restricted)*											
	200,000					200,000	~~200,000~~					~~200,000~~
							110,000					*110,000*
f.	Expand MIAMI Program *(Restricted)*											
	264,590					264,590	*264,590*					264,590
g.	End-Stage Renal Disease *(Restricted)*											
	125,000					125,000	~~125,000~~					~~125,000~~
							100,000					*100,000*
7.	Family/Maternal and Child Health Bureau (07)											
	243,153		22,780,365			23,023,518	243,153		25,432,387			25,675,540
a.	Children's Special Health											
			23,435			23,435			23,435			23,435
b.	WIC Information Specialist											
			36,693			36,693			36,704			36,704
c.	Health Services Division Support											
			51,753			51,753			51,754			51,754
d.	Enhanced Nursing Consultation											
			85,000			85,000			85,000			85,000
e.	Data Utilization											
			80,000			80,000			60,000			60,000
8.	Preventive Health Bureau (08)											
	92,878	73,395	1,572,264			1,738,537	92,878	80,991	1,617,110			1,790,879
a.	Tuberculosis											
			148,531			148,531			146,130			146,130
b.	Hepatitis B											
			69,356			69,356			69,373			69,373
c.	Ryan White — Title II											
			122,548			122,548			127,363			127,363
d.	Universal Hepatitis											
			122,528			122,528			122,528			122,528
e.	Preventive Health Block Grant											
			220,350			220,350			223,063			223,063
f.	Perinatal Hepatitis											

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			44,423			44,423			44,433			44,433
	g. Communicable Disease Emergency Fund (Biennial)											
	50,000					*50,000*						
9.	Health Facilities Division (09)											
	~~561,142~~		1,956,774			~~2,479,396~~	~~523,625~~		1,943,475			~~2,467,295~~
	523,095					2,479,869	523,645					2,467,120
	a. Title 18 CLIA											
			454,909			454,909			454,909			454,909
10.	Petroleum Tank Release Compensation Board (11)											
		1,313,077				1,313,077		1,289,225				1,289,225
11.	Vacancy Savings											
	271,949	56,069		63,257		391,275	272,251	68,120		63,338		403,689
12.	Budget Balancing Reduction											
	16,062					16,062	15,998					15,998
Total												
	~~3,005,756~~	~~14,419,838~~	40,530,372	~~4,408,456~~		~~60,364,422~~	~~2,677,621~~	~~14,020,992~~	43,103,917	~~2,310,214~~		~~62,112,744~~
	3,055,714	14,378,238		2,407,899		60,372,223	2,677,621	14,020,992		2,308,960		62,311,490

It is the intent of the legislature that the department contract with local health agencies and other organizations whenever possible in lieu of adding FTE.

Item 1a may only be used to provide legal services to the board of health. Any unused funds must revert to the general fund.

Item 2b is a biennial appropriation that may be used only if the demand for reimbursable services requires expenditures for supplies, materials, and communications in excess of the appropriated levels of $336,283 in fiscal 1994 and $360,833 in fiscal 1995.

Item 3a contains $400,000 in fiscal 1994 and $190,000 in fiscal 1995 to address sulfur dioxide problems in the Billings/Laurel area. In preparing the 1997 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

~~Item 3b is contingent on passage and approval of House Bill No. 318.~~

~~Item 3c is contingent on passage and approval of House Bill No. 567.~~

Item 4a may only be used for vehicle crushing and freon removal.

~~Item 5h is contingent on passage and approval of House Bill No. 388.~~

It is the intent of the legislature that the department coordinate services provided by items 6a and 6d with the health care commission~~, contingent on passage and approval of Senate Bill No. 285~~.

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

For the fiscal 1995 appropriations, items 6e, 6f, and 6g may be used only for the purpose designated. Reductions from vacancy savings or budget balancing reductions may not be applied to items 6e, 6f, and 6g. Any unused funds must revert to the general fund.

Item 8g is a biennial appropriation to be used for unanticipated expenses related to communicable disease outbreaks, such as hantavirus, e-coli 0157, tuberculosis, and shigella. Item 8g may be used only for the purpose designated. Reductions from vacancy savings or budget balancing reductions may not be applied to item 8g. Any unused funds must revert to the general fund.

Any maternal and child health and preventive health block grant funds received over amounts appropriated must be allocated by the department to maternal and child health and preventive health services necessary to meet federal grant requirements and to the Montana healthy people year 2000 health objectives as determined by the appropriate health advisory councils.

~~Item 10 is contingent on passage and approval of House Bill No. 666.~~

The department shall certify, in writing, by February 1, 1994, to the office of budget and program planning and the office of the legislative fiscal analyst that:

(1) all permit applications submitted to the department are being processed according to time limits specified in statutes and rules; and

(2) the department has implemented a procedure to notify all permit applicants of the date by which their specific application process will be completed.

It is the intent of the legislature that if the department does not meet the timeframes stipulated in statutes and rules for the review of subdivisions and water and air quality permitting, then the department is required to contract with a county or a private contractor to perform the service.

DEPARTMENT OF LABOR AND INDUSTRY (6602)

1.	Job Service Division (01)											
		~~4,064,002~~	9,432,912	~~83,244~~		~~13,580,518~~		~~3,765,975~~	9,711,278	~~83,244~~		~~13,560,497~~
		4,060,525		83,157		13,576,594		3,762,577		83,167		13,557,022
	a.	Classification Review										
		262,439				262,439		262,439				262,439
	b.	Maintenance Contracts										
		138,523				138,523		138,523				138,523
	c.	Health Industries (Biennial)										
			132,464			132,464						
	d.	Asarco/Troy (Biennial)										
			113,637			113,637						
	e.	*State Fund Cost Allocation*										
		3,532				3,532		7,112				7,112
2.	Unemployment Insurance (02)											
		~~132,391~~	4,373,033			~~4,505,424~~		~~132,391~~	4,402,387			~~4,534,778~~
		132,210				4,505,243		132,231				4,534,618

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Voice Response Communications			24,000			24,000			24,000			24,000
b. Unemployment Insurance Hearings Officer			36,882			36,882			38,356			38,356
c. *State Fund Cost Allocation*		*139*				*139*		281				*281*
3. Commissioner's Office/Centralized Services (03)				~~3,033,843~~		~~3,033,843~~				~~3,071,001~~		~~3,071,001~~
				3,033,543		3,030,543				3,065,566		3,065,566
a. Legislative Audit (Restricted/Biennial)				83,902		83,902						
b. *State Fund Cost Allocation*				*1,476*		*1,476*				*2,974*		*2,974*
4. Employment Relations (04)	~~48,115~~	~~2,314,121~~	42,140	~~472,456~~		~~2,876,832~~	~~319,520~~	~~2,315,774~~	44,286	~~460,529~~		~~3,140,109~~
	328,030	*2,314,121*		*472,456*		*3,176,757*	*319,520*	*2,315,774*		*460,529*		*3,140,109*
a. Uninsured Employers Fund				~~675,200~~		~~675,200~~				~~675,200~~		~~675,200~~
				0		*0*				*0*		*0*
b. Subsequent Injury Benefits				~~786,200~~		~~786,200~~				~~786,200~~		~~786,200~~
				0		*0*				*0*		*0*
c. SIF Actuarial Study				10,000		10,000				12,500		12,500
d. HB 511 — Workers' Compensation Data Base System (Biennial)			583,479			583,479						
e. HB 287 — Revising Workers' Compensation Act			4,800			4,800		1,300				1,300
f. SB 347 — Workers' Compensation Medical Cost Containment			299,545			299,545		246,695				246,695
g. HB 622 — Revising Workers' Compensation Act			165,029			165,029		142,509				142,509
h. SB 381 — Underinsured Employers												

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		Fiscal 1994					Fiscal 1995					
		General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			133,701				133,701		116,991				116,991
	i.	SB 223 — Revising Child Labor Laws	27,087				27,087		20,927				20,927
	j.	*State Fund Cost Allocation*	*2,046*		*867*		*2,913*		*4,122*		*1,748*		*5,870*
5.		Legal Services Division (06)	608,651	296,408	83,308		988,367		622,180	284,771	83,308		990,259
	a.	SB 347 — Workers' Compensation Medical Cost Containment	54,758				54,758		48,900				48,900
	b.	*State Fund Cost Allocation*	*327*		*41*		*368*		*659*		*83*		*742*
6.		Research, Safety, and Training (07)	~~1,156,411~~ *1,156,104*	1,731,559			~~2,887,970~~ *2,887,663*		~~1,162,140~~ *1,162,140*	1,729,561			~~2,891,850~~ *2,891,701*
	a.	Health Industries (Biennial)		17,454			17,454						
	b.	Asarco/Troy (Biennial)		17,454			17,454						
	c.	SB 163 — Safety Culture Act	93,705				93,705		77,935				77,935
7.		Human Rights Commission (08)	~~402,632~~ *402,523*	104,600			~~507,232~~ *507,123*	~~402,610~~ *402,420*		104,600			~~507,210~~ *507,020*
	a.	Additional Caseload FTE	90,412	50,000			140,412	88,046		50,000			138,046
8.		Workers' Compensation Judge (09)	370,725				370,725		368,020				368,020
	a.	Judges' Annual Leave and Sick Leave	17,400				17,400						
	b.	Law Clerks' Annual Leave and Sick Leave	1,954				1,954		1,954				1,954
	c.	Overtime	800				800		800				800
	d.	*State Fund Cost Allocation*											

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		189				*189*		*381*				*381*
9.	Job Training Grants (50)											
		1,682,395	10,457,520			12,139,915		1,682,395	10,457,520			12,139,915
	a. UI Administrative Discretionary Grants (Biennial)											
		1,430,000				1,430,000						
	b. Health Industries (Biennial)											
			546,128			546,128						
	c. Asarco/Troy (Biennial)											
			552,572			552,572						
10.	Vacancy Savings											
	25,977	307,017		121,097		454,091	25,457	297,341		122,401		445,199
11.	Budget Balancing Reduction											
	4,076					4,076	3,924					3,924
Total												
	~~611,149~~	~~13,236,015~~	27,928,763	~~4,033,558~~		~~45,611,215~~	~~780,604~~	~~10,611,456~~	26,846,759	~~5,049,771~~		~~43,488,644~~
	610,922	*13,237,167*		*3,644,653*		*45,621,505*	*780,605*	*10,619,504*		*3,587,474*		*42,034,342*

~~Proprietary funds in item 4a are decreased by $594,200 in fiscal 1994 and by $675,300 in fiscal 1995, contingent on passage and approval of House Bill No. 287.~~

~~Proprietary funds in item 4b are decreased by $687,400 in fiscal 1994 and by $786,300 in fiscal 1995, contingent on passage and approval of House Bill No. 287.~~

~~Item 4d is contingent on passage and approval of House Bill No. 511.~~

~~Item 4e is contingent on passage and approval of House Bill No. 287.~~

~~Items 4f and 5a are contingent on passage and approval of Senate Bill No. 347.~~

~~Item 4g is contingent on passage and approval of House Bill No. 622.~~

State special revenue of $17,400 in fiscal 1994 in item 8a may only be used for payment of accrued balances of annual leave and sick leave payable under state law to the incumbent judge in the event of resignation or nonreappointment.

State special revenue of $1,954 in fiscal 1994 and $1,954 in fiscal 1995 in item 8b may only be used for payment of accrued balances of annual leave and sick leave payable under state law to law clerks.

State special revenue of $800 in fiscal 1994 and $800 in fiscal 1995 in item 8c may only be used for payment of overtime.

Item 9a is appropriated as follows:

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

(1) (a) Up to $500,000 is appropriated as a reserve for laid-off state employees for fiscal 1994 for dislocated worker program services. At the end of fiscal 1994, remaining reserves may be used for other dislocated workers.

(b) The appropriation in subsection (1)(a) must be reduced by the amount expended for state employees in the dislocated worker program from the appropriation provided for in House Bill No. 3.

(2) (a) Up to $230,000 is appropriated to provide for dislocated worker programs.

(b) The appropriation in subsection (2)(a) must be reduced by the amount expended for nonstate workers in the dislocated worker program from the appropriation provided for in House Bill No. 3.

(3) The amount of $350,000 is appropriated to provide for job training for economically disadvantaged individuals. These funds may be used only to provide services to individuals with four or more barriers, as defined by the Job Training Partnership Act (JTPA).

(4) The amount of $350,000 is appropriated to provide for job training for offenders. These funds may be used only to provide for services to offenders, as defined by JTPA.

The funds appropriated in item 9a may not be used to supplant the level of effort provided by JTPA funding from the federal department of labor. Although the legislature expresses its intent regarding use of the funds, the department has ultimate discretion over the allocation.

The department shall, in consultation with the department of administration, review the cost-effectiveness, along with other relevant considerations, of operating its in-house duplicating facilities compared to department of administration services. The department shall report its conclusions, along with department of administration comments, to the office of budget and program planning and the office of the legislative fiscal analyst by June 1, 1994, and to the respective appropriations subcommittee of the 1995 legislature.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES (6901)

1. Family Assistance (01)									
~~16,481,286~~	~~813,750~~	~~55,310,254~~		~~73,225,290~~	~~17,477,896~~	~~467,181~~	~~53,852,816~~		~~76,302,815~~
2,964,500	0	20,745,569		23,710,069	3,095,892	0	21,058,948		24,154,840
a. Community-Based Services (Biennial)									
35,000		35,000		70,000					
b. AFDC and Emergency AFDC Benefits									
13,397,387	917,046	35,069,512		49,383,945	14,188,582	964,270	36,383,977		51,536,829
a c. Local JOBS Match									
		1,100,000		1,100,000			1,650,000		1,650,000
b d. Food Stamps Outreach									
		157,349		157,349			157,349		157,349
e e. AFDC Day Care									
~~13,000~~	170,000	~~1,038,633~~		~~1,221,633~~	~~13,000~~	170,000	~~1,037,842~~		~~1,220,842~~

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	52,123		1,133,806			1,355,929	170,302		1,417,736			1,758,038
	d f. JOBS Administration (Restricted)											
	149,500		149,500			299,000	149,500		149,500			299,000
2.	Eligibility Determination Program (03)											
		2,823,290	2,699,583			5,522,873		2,833,132	2,705,738			5,538,870
	a. Nonassumed County BA											
		87,101	83,686			170,787		87,153	83,735			170,888
3.	Administrative and Support Services (04)											
	~~901,341~~	~~378,4~~	~~1,6~~			~~2,912,63~~	~~61~~	~~382,66~~	1,651,131			~~2,947,203~~
	900,945	377,932	1,633,401			2,912,278	912,823	382,458				2,946,412
	a. Legislative Audit (Restricted/Biennial)											
	75,477	6,950	82,926			165,853						
4.	Child Support Enforcement (05)											
		2,173,795	4,324,398			6,498,193		2,297,754	4,580,593			6,878,347
	a. Increased Communication Costs											
		15,637	30,353			45,990		16,742	32,498			49,240
5.	State-Assumed County Administration (06)											
	~~3,256,562~~		3,128,844			~~6,385,~~	~~3,262,~~		3,135,008			~~6,397,~~
	3,256,462					6,385,306	3,262,890					6,397,898
	a. County Pilot Project (Restricted)											
	100,000					100,000	100,000					100,000
6.	Medical Assistance (07)											
	~~45,40~~	6,287,934	~~151,~~			~~202,~~	~~41,~~	6,407,123	~~156,~~			~~214,~~
	43,694,355		150,618,394			200,600,683	43,700,911		149,215,222			193,323,256
	a. Medicaid Hospital Costs (Restricted)											
	~~23,~~		~~67,~~			~~93,~~	~~34,~~		~~82,~~			~~117,~~
	27,303,856		67,028,479			94,332,335	30,679,091		73,211,959			103,891,050
	b. Medicaid Managed Care											
	238,967		390,311			629,278	240,332		417,452			657,784
	c. Psychiatric Utilization Review											
	20,687		62,063			82,750	20,687		62,063			82,750
	d. Medicaid Claims Processing											
	48,300		144,900			193,200	48,300		144,900			193,200

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
e. HB 309 — Medically Needy Cost Savings	31,252		31,253			62,505	11,263		11,263			22,526
f. Waiver Inflation and 40 Cases	760,476		464,396			421,415	361,337		863,535			1,224,872
g. Medicaid-Eligible Education Costs (Restricted/Biennial)			4,866,882			4,866,882						
h. SB 40 Galen Closure (Restricted)	175,167		429,274			604,441	178,310		426,131			604,441
i. Baby Your Baby Medicaid Benefits		482,500	482,500			965,000		482,500	482,500			965,000
j. SB 145 — Traumatic Brain Injury Pilot Project	50,000		122,533			172,533	50,000		119,491			169,491
7. Audit and Program Compliance Division (08)	~~716,182~~	~~3,505~~	1,000,349			~~1,720,016~~	~~720,274~~	~~3,516~~	1,002,704			~~1,726,490~~
	717,934	3,504				1,721,787	719,926	3,515				1,726,145
8. Management Analysis and Systems (09)	~~2,442,152~~	~~1,535,930~~	4,702,632			~~8,680,714~~	~~2,369,429~~	~~1,691,053~~	4,587,349			~~8,684,252~~
	2,442,283	1,565,900				8,710,615	2,371,463	1,691,053				8,649,865
a. *State Fund Cost Allocation*		8,695				8,695		17,490				17,490
9. Vocational Rehabilitation Program (10)	~~1,704,307~~	~~341,344~~	6,723,936			~~8,770,187~~	~~1,838,565~~	~~207,912~~	6,725,387			~~8,771,864~~
	1,704,365	341,843				8,769,864	1,836,343	207,940				8,771,670
a. Provider Rate Increase	68,185		111,025			149,210	76,753		223,163			299,916
b. MSED Administration			5,176			5,176			1,310			1,310
c. MSED Benefits			459,614			459,614			116,288			116,288
d. MonTECH Administration			6,098			6,098			6,403			6,403
e. MonTECH Benefits			565,414			565,414			593,683			593,683
f. Independent Living Benefits												

	Fiscal 1994 General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Fiscal 1995 General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	100,000					100,000	100,000					100,000
10.	Disability Determination Program (11)											
			3,167,237			3,167,237			3,238,286			3,238,286
	a. Additional FTE											
			78,339			78,339			78,414			78,414
11.	Visual Services Program (13)											
	323,749		1,132,625			1,456,374	322,993		1,129,830			1,452,823
	a. Provider Rate Increase											
	2,440		14,630			17,070	4,903		29,410			34,313
12.	Developmental Disabilities Program (14)											
	~~15,352,560~~		22,358,042			~~37,710,602~~	~~16,602,566~~		23,284,924			~~39,887,490~~
	15,352,248					*37,710,290*	*16,602,186*					*39,887,110*
	a. DD Benefits (Not for Construction)											
	100,000					100,000	100,000					100,000
	b. Provider Rate Increase											
	573,528		301,178			874,706	1,156,933		601,225			1,758,158
13.	Developmental Disabilities Advisory Council (15)											
			420,475			420,475			420,475			420,475
14.	Vacancy Savings											
	304,757	222,838				527,595	331,621	219,670				551,291
15.	Budget Balancing Reduction											
	127,046					127,046	136,307					136,307
Total												
	~~11,236,845~~	~~15,444,004~~	~~[illegible]~~			~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~			~~503,410,104~~
	113,684,153	15,039,269	336,251,675			*464,975,117*	*119,995,792*	*15,341,460*	*333,999,580*			*469,336,832*

For fiscal 1995, the department shall issue a request for proposals for all weatherization training activities presently delivered by Montana state university.

In accordance with 42 U.S.C. 607(B)(2)(c), the department shall implement a payment-after-performance policy for the AFDC-UP program no later than January 1, 1994. In implementing this policy, the department shall:

(1) require that at least one parent in the household participate in approved education, training, or job search activities; and

(2) provide for payment of AFDC benefits, but only after performance of assigned activities under subsection (1) is completed.

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	Fiscal 1994					Fiscal 1995					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The department is authorized to retain 7.5% of the federal community services block grant and pass through the remaining 92.5% to the human resource development councils (HRDCs). If during fiscal 1994 or fiscal 1995 the block grant falls below the federal fiscal year 1990 grant level, the department shall retain only 5% of the grant amount and pass through the remaining 95% to the HRDCs.

The appropriation in item 1 is contingent on a program being in place by July 1, 1994, that requires AFDC recipients whose youngest child is at least 1 year of age to be referred to the JOBS program. The department may waive the requirement for good cause.

Item 1 includes $100,000 of state general fund money in each fiscal year for the department to contract for assistance in obtaining SSI disability benefits for indigent persons, *including AFDC recipients*.

In order to expend funds from item 1, the department shall apply for waivers from federal regulations governing AFDC programs no later than July 1, 1994. If federal approval is received, the department shall implement the waivers as soon as feasible. The department shall apply for waivers to encourage employment by allowing working AFDC recipients to retain a greater portion of their income. The department shall work in cooperation with local welfare task forces in development of waiver applications and in implementation of approved waivers. The waivers may include but are not limited to:

(1) expansion of the earned income disregard above the current $30 and 33% of additional earned income;

(2) exclusion of all earnings of children;

(3) elimination of the 100-hour rule for the AFDC-UP program;

(4) reduction, by increasing percentages, of the amount of AFDC benefits for those recipients who remain on AFDC after each 12 consecutive months unless good cause is established for remaining on assistance; and

(5) changing the definition of household income to include the income, minus child support, of all adults in the household where the AFDC recipient lives.

The department is encouraged to seek waivers that are cost-neutral. The department shall develop and use an appeals process for AFDC recipients if it implements waivers that result in cost savings by decreasing individual benefits.

No later than September 1993, the department shall submit to the legislative finance committee a detailed report of the progress towards implementation of the waivers developed by the department and local welfare task forces. The department may not implement a waiver program unless actual cost savings can be demonstrated. The department is authorized to expend up to 10% of projected savings for administrative costs that are mandated by federal regulations associated with implementation of the federal waivers.

The AFDC payment level for the 1995 biennium must be established at 40.5% of the federal poverty index.

The department may not expend funds from item ~~1d~~ *1f* unless the department certifies to the director of the office of budget and program planning that in-house administration of the JOBS program is more cost-effective than contracting for JOBS program administration.

The department shall extend client followup reporting to 6 months for each participant leaving the JOBS program.

The department shall provide the following information about the Montana AFDC population to the 54th legislature by December 1, 1994:

(1) the average length of time a client receives AFDC (since the inception of TEAMS, the automated eligibility determination system);

(2) the percentage of the caseload that remains on AFDC by selected length of stay;

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total

(3) reported reasons that applicants are requesting AFDC benefits; and

(4) reported reasons AFDC recipients no longer require AFDC benefits.

The department may obtain information for items 3 and 4 from periodic surveys of AFDC and former AFDC recipients.

Beginning in fiscal 1995, the department shall competitively award the contract for the food stamp outreach program to an agency or entity that:

(1) can provide the necessary state or local matching funds;

(2) demonstrates that it will reach a broad representation of potentially eligible persons;

(3) will coordinate efforts with the LIEAP, food banks, and food distribution programs; and

(4) provides for an independent evaluation of the outreach program, which will be made available to the 54th legislature. The department shall develop evaluation criteria to measure the effectiveness of the outreach program, including but not limited to the number of persons contacted, the number of persons assisted in making application for food stamps benefits, and any followup information available on the contacts made. If a bid is not awarded (based on the inability to meet all of the above criteria), an outreach program may not be conducted.

The department may require only AFDC and food stamp households with earned income and/or those who have recent work history to report monthly. The department may, however, promulgate administrative rules that require monthly reporting for specific recipient population groups that have been shown to be subject to high eligibility determination errors or fraud.

The department is directed to implement a policy to reduce AFDC grants by $50 for all eligible AFDC clients sharing living arrangements with anyone who is not in the assistance unit or whose income and resources are not considered in the determination of the assistance unit grant. The following AFDC recipients are not subject to this deduction: AFDC recipients living with a separate household that receives supplemental security income; AFDC recipients living in government-subsidized housing; and two or more AFDC assistance units living together. The department shall apply for federal approval of a good cause hardship exception in addition to the exceptions previously listed.

The department is directed to request units of the university system to assist the department, without charge, in development of clear and concise AFDC program information for the education of AFDC clients. The program information must include a description of AFDC-earned income provisions, transitional day care, transitional medicaid, and any other benefits that will assist the AFDC client in securing and retaining employment.

The state share of AFDC-related support collections and all AFDC and non-AFDC federal incentive payments and program collected fees must be deposited in a state special revenue account from which the state share of the administrative and operational costs of the child support enforcement program must be paid. ~~The legislature intends that, during the 1995 biennium, the department collect at least $1.15 for each $1 expended for administrative and operational costs from the account.~~ The department shall transfer to the general fund from the child support enforcement account any cash balance remaining in excess of $500,000 at the end of fiscal 1994 and 1995.

The department shall conduct a review of child support privatization projects in other states and report the results of the review to the 54th legislature. The review must address: the impact of privatization on the efficient utilization of the state IV-D computer system; the granting of quasi-judicial powers to private contractors; the results of federal audits and conformity to federal regulations of privatized operations; the degree of monitoring by state personnel from privately operating programs or aspects of programs; and a summary of advantages and disadvantages from the perspective of state officials involved with privatization.

The department is appropriated funds in item 5a for a pilot project in Deer Lodge County. The pilot project may include work, job training, subsistence payments, and preventive health programs for low-income people. The use of appropriated funds in item 5a is contingent on Deer Lodge County levying 12 mills for its poor fund for public assistance, protective services, and other benefits for low-income people.

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The department is authorized to transfer funds among appropriations for medicaid primary care, medicaid nursing care, medicare buy-in, state medical, and the home- and community-based waiver program.

The legislature intends that expenditures for all provider rate increases approved by the legislature be limited to the dollar amounts appropriated rather than percentage increases on which the original estimates may have been based. The department will be in compliance with this provision if:

(1) it estimates total costs for each medicaid service category in June prior to the beginning of each fiscal year of the 1995 biennium; and

(2) the percentage increases or base adjustments approved by the department are limited to the dollar amount appropriated for each provider rate increase.

It is the intent of the legislature that the department develop a continuum of care designed to limit the growth of state expenditures for long-term care services for the elderly and disabled. The department is directed to present to the 54th legislature a plan that defines and provides a cost-effective range of services for people who are elderly or disabled; provides individuals with a choice of services that best reflects their personal preferences and treatment needs; offers services, including but not limited to in-home care, nursing facility care, long-term hospital care, and alternative community care, such as adult foster homes and personal care facilities. If the department certifies to the director of the office of budget and program planning that cost-effective alternative services for the elderly and disabled can be provided within existing appropriations, the department may implement these services during the 1995 biennium. The legislature intends that these alternative services for the elderly and disabled are within the amount, scope, and duration of the medicaid services supported by appropriations in [this act].

The department and the department of corrections and human services may develop a capitation contract for the delivery of and payment for mental health services in Montana. The departments shall develop the contract in consultation with an advisory group. The advisory group must consist of representatives from the following groups: mental health services clients and their family members, community mental health centers, private mental health services providers, the departments, the Montana state hospital, hospitals, and other appropriate groups. The department may develop a capitation contract for physical health services. The department shall develop the physical care managed care plan in consultation with an advisory group. The advisory group must consist of representatives from health services clients and their family members, private physical care providers, the Montana legislature, the department, the department of corrections and human services, Montana hospitals, and other appropriate groups.

The department shall provide information regarding the specific family planning services covered by medicaid, including birth control pills, norplant, condoms, and sterilization procedures. The information must include the address and phone number of the local family planning clinic.

~~If House Bill No. 333 is not passed and approved, item 6 is increased by $1,261,427 general fund money in fiscal 1994, $1,268,050 general fund money in fiscal 1995, $3,091,323 federal special revenue in fiscal 1994 and $3,030,424 federal special revenue in fiscal 1995.~~

The department and Montana universities and colleges may develop early periodic screening diagnosis and treatment (EPSDT) outreach programs and use appropriate funds to match federal funds for EPSDT outreach activities. The department may contract with universities and colleges to provide EPSDT programs by March 1994.

The department may extend passport to health provider status to outpatient hospitals if the department determines that the status will achieve program savings, improve recipient access, or extend the passport program to currently underserved areas.

The department shall review the feasibility of establishing a voucher system for payment of medicaid personal care services. If the department finds that a voucher system can be implemented within the appropriation in [this act], the system may be implemented during the 1995 biennium. If the department determines that the voucher system is infeasible, it shall report its findings to the house appropriations committee during the 1995 regular session of the legislature.

It is the intent of the legislature that in fiscal 1994 and fiscal 1995, any unexpended general fund money, up to $1 million per year, in items 6 and 6a be used for assisted living, home-based care, or waivers.

The department may transfer funds in and out of item 6a.

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Expanded waiver services funded in item 6f should be used to expand waiver services in eastern Montana if clients and services are available. The expansion may occur in the following counties: Blaine, Big Horn, Carter, Custer, Daniels, Dawson, Fallon, Garfield, Golden Valley, McCone, Musselshell, Petroleum, Phillips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Valley, Wheatland, and Wibaux.

~~Contingent on passage and approval of Senate Bill No. 145, the~~ *The* appropriation in item 6j must be used for a medicaid model waiver for people with traumatic brain injuries.

The department shall direct licensed providers of assisted living services in a facility setting to give notices of available unskilled positions to the department local area jobs program offices.

The department shall implement 53-6-101(9) if medicaid expenditures exceed appropriations in [this act] in either year of the biennium.

It is the intent of the legislature that annualized expenses for operation of SEARCHS not exceed $1,500,000. This amount includes expenses for any facilities management contracting that may be used for system operations, computer processing costs directly associated with operation of the system, and other personal services and nonpersonal services costs directly charged to the management and operation of the system.

If the department considers contracting for operation of the TEAMS and/or SEARCHS computer applications on a privately owned and operated mainframe or midrange computer, the department shall submit to the office of budget and program planning and to the legislative finance committee a comparison of the cost of operating the system on the state mainframe computer managed by the department of administration. The department of administration shall estimate rate changes that would occur due to removal of TEAMS and/or SEARCHS from the state mainframe. If the office of budget and program planning determines that statewide cost savings are greater than the private contract cost savings to the department, the department shall operate TEAMS and/or SEARCHS on the state mainframe computer if continued operation of TEAMS and/or SEARCHS on the state mainframe does not conflict with federal regulations.

The department is authorized to transfer funds between appropriations for the vocational rehabilitation and visual services programs.

The department may pursue funding of any existing eligible state general funded services under the federal ICF/MR program if the federal government fails to approve adequate medicaid waiver funding under the home- and community-based waiver program.

It is the intent of the legislature that the developmental disabilities division pursue federal funding to enhance and improve services to persons with developmental disabilities. These additional federal funds may be expended by the division for services as long as those actions do not require or commit the state to additional general fund expenditures beyond the amount appropriated during the 1995 biennium by the legislature for the developmental disabilities community.

The department shall, in consultation with the department of administration, review the cost-effectiveness, along with other relevant considerations, of operating its in-house mail facilities compared to department of administration services. The department shall report its conclusions, along with department of administration comments, to the office of budget and program planning and the office of the legislative fiscal analyst by June 1, 1994, and to the respective appropriations subcommittee of the 1995 legislature.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF FAMILY SERVICES (6911)

1. Management Support (01)										
~~2,393,653~~	~~16,500~~	4,924,477			~~7,334,630~~	~~2,411,125~~	~~16,500~~	4,934,585		~~7,362,814~~
2,392,358	16,496				7,333,333	2,409,983	16,499			7,361,467
a. Legislative Audit (Restricted/Biennial)										
71,415		45,658			117,073					

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b. Management Information System (Restricted/Biennial)												
	~~2,500,000~~		800,000			~~3,300,000~~						
	2,496,914					3,296,914						
c. Aging Legal Developer												
			36,066			36,066			34,866			34,866
d. Alzheimer's Demonstration Grant												
			155,500			155,500			155,500			155,500
e. Information and Assistance for the Elderly												
			31,802			31,802						
f. Preventive Health Grant												
			84,340			84,340			84,340			84,340
2. Regional Staff (02)												
	7,492,737	995,930	4,088,079			12,576,746	6,682,159	995,930	2,845,402			10,523,491
a. *State Fund Cost Allocation*												
	581					*581*		*1,169*				*1,169*
3. Juvenile Corrections (03)												
	7,033,885	283,895	310,273			7,628,053	7,113,766	284,490	310,275			7,708,531
a. Juvenile Community Corrections												
	150,000		66,000			216,000	150,000		66,000			216,000
b. *State Fund Cost Allocation*												
	144					*144*		*290*				*290*
4. Community and Protective Services (05)												
	14,912,639	1,752,403	7,835,523			24,500,565	15,102,432	1,756,185	7,833,118			24,691,735
a. Youth Psychiatric Care (Biennial)												
	2,000,000					2,000,000						
b. Refinancing Services												
	50,000		2,150,000			2,200,000	50,000		2,150,000			2,200,000
c. Annualize Foster Care Continuum												
	667,162		210,798			877,960	668,918		209,042			877,960
d. Foster Care Rate Increase												
	222,030	21,968	70,293			314,291	444,365	46,670	137,975			629,010
e. Foster Family Support Services												
	286,318		148,692			435,010	290,318		147,098			437,416
f. AFDC At-Risk Day Care												

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	410,000		1,004,769			1,414,769	410,000		989,831			1,399,831
g.	SB 271 — Pilot Program for Local Citizen Review Boards (Restricted/Biennial)											
	10,513					10,513						
h.	*State Fund Cost Allocation*											
		1,031				*1,031*		*2,075*				*2,075*
5.	Vacancy Savings											
	694,363	53,823				748,186	676,554	53,744				730,298
6.	Budget Balancing Reduction											
	187,477					187,477	163,233					163,233
Total												
	~~37,318,512~~	~~3,017,031~~	21,962,270			~~62,297,655~~	~~32,483,308~~	~~3,046,031~~	19,898,432			~~55,427,763~~
	37,314,131	*3,018,627*				*62,295,028*	*32,482,154*	*3,049,564*				55,430,150

The department shall use and develop additional services, within appropriation limitations, that are family-focused, child-centered, sensitive to unique cultures, and community-based. The department shall use the least restrictive, most appropriate services with the goal of preserving families.

The department is directed to develop a child welfare management information system (MIS). The appropriation in item 1b must be expended only for development and operation of the MIS. The department shall develop the most comprehensive MIS possible within the appropriation in item 1b. If the appropriation is not sufficient to fund development of the entire system, system components may be prioritized by the department. The MIS should include the following components:

(1) foster care and adoption;

(2) protective services;

(3) juvenile corrections;

(4) licensing;

(5) accounting/fiscal;

(6) utilities; and

(7) case management services for the developmentally disabled.

If the department is selected by the department of social and rehabilitation services to manage the food stamp outreach program, the department is appropriated $157,349 in federal special revenue each fiscal year of the biennium.

The department is appropriated an amount equal to the general fund transfer received from the office of public instruction for education costs of children receiving medicaid-eligible treatment services. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this appropriation in the current level budget.

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Funds in item 4a are to serve children in the custody of the department that previously were placed or would have been placed in freestanding inpatient hospitals for youth under 21 years of age. If a balance remains in item 4a after providing for the needs of children in the custody of the department, this balance may be used for related services.

Item 4b is to develop family support services for children at risk of abuse or neglect and for children that have been referred for abuse or neglect and to develop community-based services for children placed in or who are at risk of being placed in juvenile corrections facilities. The development of additional services is contingent on recovery of federal funds through department refinancing initiatives and the collection of contributions from parents of children. The department may add up to 6.0 new FTE to implement the refinancing strategies. The department shall present to the 54th legislature a report that includes the number and types of services developed, the number of children and families served, and the effectiveness of the services delivered. If the department recovers funds from refinancing initiatives and collection of parental contributions in excess of $2,150,000 either year of the 1995 biennium, it is appropriated up to $1 million in federal funds each year for those excess funds. The department may use these excess funds in any manner it considers necessary.

~~The appropriation in item 4g is contingent on passage and approval of Senate Bill No. 271.~~

The department shall develop a plan for the establishment of regional treatment centers for children with severe emotional disturbances to provide for the placement of the children in local regions and to allow children currently placed outside of Montana to be returned to the state.

It is the intent of the legislature that annualized expenses for the operation of the child welfare MIS not exceed $1,500,000 annually. This amount includes expenses for any facilities management contracting that may be used for system operations, computer processing costs directly associated with operation of the system, and other personal services and nonpersonal services costs directly charged to the management and operation of the system. The department may not proceed with the development of the MIS until it has certified to the office of budget and program planning and to the legislative finance committee that the projected annualized operation costs of the system will not exceed the limit imposed in this statement of intent. If the child welfare system will run on the state mainframe computer and if the department elects to contract for operation of the system on a privately owned and operated mainframe or midrange computer, the department shall submit a comparison to the office of budget and program planning and to the legislative finance committee of the cost of operating the system on the state mainframe computer managed by the department of administration. The department of administration shall estimate rate changes that would occur because of operation of the child welfare MIS on the state mainframe. If the office of budget and program planning determines that statewide cost savings are greater than the private contract cost savings, the department shall operate the child welfare system on the state mainframe computer.

The department may pursue medicaid funding for the intermountain deaconess children's home.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

TOTAL SECTION B											
~~151,231,883~~	~~45,616,000~~	~~429,284,000~~	~~2,340,438~~		~~628,312,541~~	~~153,141,474~~	~~43,220,629~~	~~440,836,741~~	~~3,154,085~~		~~664,767,325~~
154,864,920	45,673,321	426,673,080	6,052,562		633,263,873	156,136,172	43,231,520	423,848,688	5,896,434		629,112,814

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	Fiscal 1994					Fiscal 1995				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
C. NATURAL RESOURCES												
PUBLIC SERVICE REGULATION (4201)												
1. Public Service Regulation (01)		~~2,041,004~~ 2,091,317	27,227			~~2,110,831~~ 2,118,544		~~2,050,014~~ 2,089,706	25,668			~~2,115,682~~ 2,115,374
a. Legislative Audit (Restricted/Biennial)		16,260				16,260						
b. Master Meter Operators (Restricted)		2,500	2,500			5,000		2,500	2,500			5,000
c. Consultant Funds (Biennial)		50,000				50,000						
d. Least-Cost Planning (Restricted/Biennial)		50,000				50,000						
e. Local Area Network (Biennial)		200,000				200,000						
f. Data Network Services		2,880				2,880		2,880				2,880
2. Vacancy Savings		71,021				71,021		71,192				71,192
Total		~~2,342,285~~ 2,341,936	29,727			~~2,372,012~~ 2,371,663		~~2,024,262~~ 2,023,894	28,168			~~2,052,330~~ 2,052,062

~~If House Bill No. 413 is not passed and approved or is passed and approved in a form depositing revenue to the general fund, the state special revenue appropriations in items 1, 1a through 1f, and 2 are eliminated and general fund appropriations are increased by like amounts.~~

Item 1b contains appropriations for inspections of natural gas master meter operators. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 1d is a biennial appropriation to be used only for expenditures relating to review of least-cost plans submitted by utilities.

DEPARTMENT OF FISH, WILDLIFE, AND PARKS (5201)

1. Administration and Finance Division (01) ~~2,886,673~~ 490,080 ~~1,758,704~~ ~~5,135,201~~ ~~2,771,747~~ 472,682 ~~1,092,115~~ ~~5,246,560~~

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	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		Fiscal 1994						Fiscal 1995				
		2,884,436		1,758,252		5,132,768		2,968,700		1,802,069		5,243,451
a.	Legislative Audit (Restricted/Biennial)											
		56,566				56,566						
b.	Automated License Issuing System (Restricted/Biennial)											
		60,000				60,000						
c.	Moose/Sheep/Goat Early Drawings											
		~~44,460~~				~~44,460~~		~~44,461~~				~~44,461~~
		49,270				49,270		49,281				49,281
d.	Additional Vehicle Account Funding											
				60,266		60,266				82,155		82,155
e.	Legislative Contract Authority (Restricted)											
		65,000				65,000			65,000			65,000
f.	*State Fund Cost Allocation*											
		25,662				25,662		51,442				51,442
2.	Field Services and Region 8 Division (02)											
		~~1,734,666~~	192,750	~~155,034~~		~~2,082,450~~		~~1,768,325~~	196,123	~~213,395~~		~~2,377,843~~
		1,734,666		155,034		2,282,450		1,767,720		213,395		2,377,438
a.	Dam Rehabilitation Engineer (Restricted)											
		46,340				46,340		42,373				42,373
3.	Fisheries Division (03)											
		2,692,176	2,683,923			5,376,099		2,684,000	2,620,229			5,304,229
a.	Water Rights Leasing (Biennial)											
		3,750	11,250			15,000						
b.	Water Leasing Studies (Biennial)											
			60,000			60,000						
c.	Missouri Basin Reservations (Biennial)											
		11,562	34,688			46,250						
d.	Fish Introductions EIS (Biennial)											
		13,750	41,250			55,000						
e.	Lewistown Biologist											
		6,667	19,999			26,666		6,667	19,999			26,666
f.	Clark Fork River Investigations (Restricted)											
		12,729	38,186			50,915		12,736	38,210			50,946
g.	Legislative Contract Authority (Restricted)											

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		715,000	940,000			1,655,000		1,160,000	990,000			2,150,000
4.	Law Enforcement Division (04)											
		4,465,236	187,293			4,652,529		4,484,103	186,481			4,670,584
	a. Law Enforcement Activities											
		100,000				100,000		100,000				100,000
	b. Warden Relocation (Restricted)											
		27,000				27,000		27,000				27,000
	c. Additional Field Warden											
		45,000				45,000		45,000				45,000
	d. Board of Outfitters Grant											
		10,000				10,000		10,000				10,000
	e. HB 338 — Game Farm Licensing											
		45,000				45,000		45,000				45,000
	f. Legislative Contract Authority (Restricted)											
			40,000			40,000			40,000			40,000
5.	Wildlife Division (05)											
		2,928,648	2,421,126			5,349,774		2,904,865	2,437,575			5,342,440
	a. Upland Game Birds (Biennial)											
		1,840,400				1,840,400						
	b. Wildlife Management EIS (Restricted)											
		68,750	206,250			275,000		30,000	90,000			120,000
	c. Trapper Education											
		3,125	9,375			12,500		3,125	9,375			12,500
	d. Legislative Contract Authority (Restricted)											
		855,000	729,000			1,584,000		844,000	687,500			1,531,500
	e. HJR 24 — Landowner, Outfitter, Sportsmen Groups (Biennial)											
		25,000				25,000						
6.	Parks Division (06)											
	~~318,249~~	~~3,404,228~~	524,200	337,319		~~4,583,996~~	~~323,125~~	~~3,514,735~~	524,200	322,583		~~4,684,643~~
	298,249	3,497,077				4,656,845	283,125	3,527,655				4,657,563
	a. Land and Water Conservation Fund (Biennial)											
			700,000			700,000						
	b. Off-Highway Vehicle EIS (Restricted/Biennial)											
		40,000				40,000						

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	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			Fiscal 1994						Fiscal 1995			
c. Tree and Shrub Replacement (Restricted)				15,030		15,030				15,030		15,030
d. Expanded Fishing Access Sites (Restricted)									60,000			60,000
e. Recreational Trails Act (Biennial)			350,000			350,000						
f. State Parks Deficit		294,083				294,083		303,459				303,459
g. Legislative Contract Authority (Restricted)		140,000	20,000			160,000		140,000	20,000			160,000
h. *Off-Highway Vehicle Gas Tax*		*19,400*				*19,400*		*33,900*				*33,900*
i. *Motorboat Gas Tax*		*145,300*				*145,300*		*254,500*				*254,500*
7. Conservation Education Division (08)		1,446,392	194,258			1,640,650		1,454,367	200,086			1,654,453
a. Shooting Ranges (Biennial)		120,133				120,133						
b. Youth Education		71,000	67,500			138,500		71,000	67,500			138,500
c. Legislative Contract Authority (Restricted)		45,000	35,000			80,000		45,000	35,000			80,000
8. Department Management (09)		1,948,292	531,799			2,480,091		1,974,079	520,349			2,494,428
a. Sikes Act (Biennial)		150,000	20,000			170,000						
b. Legal Services and Court Costs (Biennial)		25,000				25,000						
c. Geographic Information System		45,000				45,000		45,000				45,000
d. Attorney General Assistance (Restricted)		36,100				36,100		36,100				36,100
e. Legislative Contract Authority (Restricted)			157,500			157,500			157,500			157,500

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
9. Vacancy Savings	5,221	626,523		17,278		649,022	5,240	654,121		18,517		677,878
10. Budget Balancing Reduction	1,923					1,923	1,948					1,948
Total	~~311,105~~ 291,105	~~25,921,761~~ 26,121,987	10,970,427	~~2,308,700~~ 2,308,623		~~39,512,992~~ 39,692,142	~~315,637~~ 275,937	~~24,117,960~~ 24,465,951	9,638,009	~~2,416,921~~ 2,416,715		~~36,487,835~~ 36,796,612

~~In [this act], the department is appropriated $123,683 in fiscal 1994 and $94,571 in fiscal 1995 from accounting entity 02213 (off-highway vehicle gas tax), $411,602 in fiscal 1994 and $411,931 in fiscal 1995 from accounting entity 02407 (snowmobile fuel tax), and $615,024 in fiscal 1994 and $613,266 in fiscal 1995 from accounting entity 02412 (motorboat fuel tax). The department may not expend funds from these accounts in excess of the amounts of these appropriations.~~

The fixed cost rates charged to state agencies by the department for capitol grounds maintenance (object code 2770) may not be higher than the amount necessary to fund the expenses of the department for providing those services, as appropriated in the state pay plan and [this act].

The legislature encourages the department to work with property and homeowner groups around the lakes in Montana in managing and restoring fisheries to better ensure that state lake fisheries provide a fishing experience that is appropriate for those residing around the lakes as well as for the overall public.

The department shall review historic fish planting data for Echo Lake and seek to increase fish plants to a number more appropriate to the lake's size.

The department shall expend reasonable efforts to ensure the continued survival of bull trout at levels sufficient to prevent it from being listed on the endangered species list.

The legislature encourages the department to continue working under the cooperative agreement with the U.S. fish and wildlife service at Creston.

The appropriations for legislative contract authority are subject to the following provisions:

(1) Legislative contract authority applies only to federal and private funds.

(2) The department may transfer appropriation authority between state special revenue and federal special revenue. Transfers may not change the total appropriated to the department for legislative contract authority.

(3) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.

(4) A report must be submitted by the department to the legislative fiscal analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project.

Item 1b contains $60,000 as a biennial appropriation to study the feasibility of implementing an automated license issuing system. The department shall present the results of the study to the 54th legislature. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 2 contains funds for block management. If federal dollars become available, the department may decrease state special revenue and increase federal special revenue by a like amount.

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Fiscal 1994						Fiscal 1995					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Item 2a contains $46,340 in fiscal 1994 and $42,373 in fiscal 1995 appropriated as a grant to the department of natural resources and conservation to fund a dam rehabilitation engineer to work on the department of fish, wildlife, and parks' dams. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 3f funds aquatic resource data collection and litigation support on the upper Clark Fork River in connection with the state's resource damage assessment suit against ARCO. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base. In the litigation, the state shall seek reimbursement for all expenses incurred by the department associated with the assessment and litigation. Reimbursement must include interest on the amount commensurate with rates earned in the short-term investment pool.

Item 4b contains $27,000 in fiscal 1994 and $27,000 in fiscal 1995 appropriated for warden relocation expenses. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 5b contains $275,000 in fiscal 1994 and $120,000 in fiscal 1995 appropriated to complete a wildlife management environmental impact statement. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

It is the intent of the legislature that the department provide a liaison position to coordinate the Montana conservation corps program with the human resource development council and other appropriate entities.

If Senate Bill No. 43 is not passed and approved, the state special revenue appropriations in item 6 are reduced by $12,849 in fiscal 1994 and by $174,811 in fiscal 1995. If Senate Bill No. 43 is not passed and approved, the department is appropriated in [this act] $411,692 in fiscal 1994 and $250,000 in fiscal 1995 from accounting entity 02407 (snowmobile fuel tax).

Item 6b contains $40,000 in fiscal 1994 as a biennial appropriation for an off-highway vehicles environmental impact statement. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 6c contains an appropriation for 0.5 FTE and $15,030 each year of proprietary funds to replace trees and shrubs damaged in the winter of 1988-1989. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 6d contains $60,000 from federal funds in fiscal 1995 appropriated for maintenance and operations of fishing access sites. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office shall consider replacing state special revenue in current level with federal funds based on the department's conversion of fishing access sites with land and water conservation fund restrictions.

~~Item 6f funds state parks maintenance and improvements. These appropriations are contingent on passage and approval of House Bill No. 642 or on other sources.~~

Item 8d contains $36,100 in fiscal 1994 and $36,100 in fiscal 1995 from state special revenue appropriated to contract with the department of justice to provide attorney general assistance to the department in prosecuting fish and wildlife cases. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

The department shall, in consultation with the department of administration, review the cost-effectiveness, along with other relevant considerations, of operating its in-house duplicating facilities compared to department of administration services. The department shall report its conclusions, along with department of administration comments, to the office of budget and program planning and the office of the legislative fiscal analyst by June 1, 1994, and to the respective appropriations subcommittee of the 1995 legislature.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
DEPARTMENT OF STATE LANDS (5501)												
1. Central Management Program (01)	~~1,360,995~~	~~151,910~~	120,000	332,565		~~1,973,470~~	~~1,324,266~~	~~146,765~~	120,000	339,701		~~1,931,232~~
	1,321,276	*150,967*				*1,924,708*	*1,228,925*	*145,841*				*1,834,467*
a. Legislative Audit (Restricted/Biennial)	46,504					46,504						
b. Helicopter Development (Restricted)	54,705	4,981		59,686		119,372	31,445	9,224		99,229		139,898
c. Maintenance Facility/Air Operations				72,867		72,867				73,102		73,102
2. Reclamation Program (03)		1,383,482	5,768,317			7,151,799		1,365,503	5,786,977			7,152,480
a. Hard-Rock Reclamation (Biennial)		150,000				150,000						
b. Bond Forfeitures (Biennial)		500,000				500,000						
c. Environmental Analysis (Biennial)		3,000,000				3,000,000						
d. Reclamation Attorney — AMRB			39,869			39,869			35,085			35,085
e. Environmental Compliance		41,605				41,605		41,605				41,605
f. State Fund Cost Allocation		*2,164*				*2,164*		*4,360*				*4,360*
3. Land Administration Program (04)	~~1,906,708~~	312,632				~~1,319,340~~	~~999,742~~	313,661				~~1,311,383~~
	983,056					*1,295,688*	*964,230*					*1,277,891*
a. SB 424 — Advisory Council to the Board of Land Commissioners	23,780					23,780	7,612					7,612
b. State Fund Cost Allocation		*495*				*495*		*996*				*996*
4. Forestry Program (25)	~~6,213,351~~	~~3,308,356~~	~~956,701~~			~~10,478,008~~	~~6,308,461~~	~~3,322,640~~	956,701			~~10,587,852~~

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	6,056,449	3,377,850	950,451			10,384,750	6,174,159	3,396,785				10,527,645
a.	Vehicle Replacement											
	12,000	6,000				18,000	12,000	6,000				18,000
b.	HB 652 — Timber Sale Revenue for Program Costs (Restricted)											
		312,000				312,000		312,000				312,000
c.	*State Fund Cost Allocation*											
		3,524				*3,524*		*7,100*				*7,100*
5.	Vacancy Savings											
	302,889	159,494		8,875		471,258	304,187	159,169		10,794		474,150
6.	Budget Balancing Reduction											
	41,967					41,967	41,861					41,861
Total												
	~~8,475,187~~	~~9,011,072~~	~~6,884,887~~	456,243		~~24,726,187~~	~~8,333,958~~	~~5,158,238~~	6,898,763	501,238		~~21,896,238~~
	8,152,914	9,086,106	6,878,637			24,573,900	8,072,323	5,443,906				20,916,230

Item 1b includes $54,705 from general funds, $4,981 from state special revenue funds, and $59,686 from proprietary funds in fiscal 1994. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base. It is the intent of the legislature that the fiscal 1995 appropriation for this item, adjusted for inflation, is the correct ongoing base for this item when considering the 1997 biennium budget.

~~Item 3a is contingent on passage and approval of Senate Bill No. 424.~~

Item 4 contains $7,000 per year to bring Powell County into the state/county cooperative fire protection program.

If House Bill No. 54 is not passed and approved, the general fund appropriation in item 4 is increased by $69,121 in fiscal 1994 and by $74,119 in fiscal 1995 and the state special revenue appropriation for each year is decreased by like amounts.

~~Item 4b is contingent on passage and approval of House Bill No. 652.~~

The legislature recommends that the board of land commissioners amend its cabinsite rules and fee structure to require lessees who apply for sale of their cabinsites to reimburse the department for all expenses it incurs in processing the sale applications.

Federal fire reimbursement funds are those funds received for expenses incurred from loaning department personnel to federal agencies to assist in fire suppression activities. Only those federal funds received as reimbursement of expenses credited against the department's state forestry operational budget are considered federal fire reimbursement funds. All other federal funds received must be deposited into the general fund. The department shall report federal fire reimbursement expenditures on state accounting records, and the records must be separate from current level operations.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF LIVESTOCK (5603)

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1. Centralized Services Program (01)												
	~~52,690~~	~~468,622~~	34,500			~~554,812~~	~~43,812~~	~~466,313~~	35,500			~~551,625~~
	6,416	512,958				553,874	4,571	510,229				550,300
a. Legislative Audit (Restricted/Biennial)												
	3,089	17,236				20,325						
b. Position Description Rewrite (Biennial)												
	1,140	6,360				7,500						
c. Data Processing Training (Biennial)												
	182	1,018				1,200						
d. *State Fund Cost Allocation*												
		4,407				*4,407*		*8,867*				*8,867*
2. Diagnostic Laboratory Program (03)												
	126,927	780,722				907,649	122,923	820,273				943,196
a. Diagnostic Laboratory Workload												
		98,966				98,966		148,522				148,522
3. Disease Control Program (04)												
		574,837				574,837		579,195				579,195
a. Bison and Game Farm Inspections												
		46,500				46,500		46,500				46,500
4. Milk and Egg Program (05)												
		161,802	25,000			186,802		164,191	25,000			189,191
5. Inspection and Control Program (06)												
		~~2,301,854~~				~~2,301,854~~		~~2,317,395~~				~~2,317,395~~
		2,303,508				*2,303,508*		*2,317,088*				*2,317,088*
a. Additional Brand Inspectors												
		47,023				47,023		46,987				46,987
6. Predatory Animal Control Program (08)												
		310,969				310,969		315,844				315,844
7. Meat and Poultry Inspection Program (10)												
	~~264,620~~	~~5,050~~	267,970			~~537,640~~	~~265,213~~	~~5,050~~	270,263			~~540,526~~
	262,890	5,049				*535,909*	*265,159*	5,045				*540,471*
a. Meat and Poultry Inspection Workload												
	30,478		30,478			60,956	30,512		30,512			61,024
b. DHES Meat Inspection Contract (Restricted)												

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		50,000				50,000		50,000				50,000
8.	Vacancy Savings 22,529	161,541				184,070	22,599	164,328				186,927
9.	Budget Balancing Reduction 2,271					2,271	2,229					2,229
Total	~~453,424~~ 406,322	~~4,749,813~~ 4,759,814	357,948			~~5,520,702~~ 5,524,084	~~443,532~~ 398,337	~~4,705,641~~ 4,848,317	361,275			~~5,600,853~~ 5,608,029

~~Item 1 contains an appropriation for $27,500 of state special revenue in fiscal 1994 and $27,500 of state special revenue in fiscal 1995 derived from the per capita levy. If House Bill No. 516 is passed and approved, the funding source for these state special revenue appropriations will be revenue derived from fees enacted by that bill.~~

Item 1 contains an appropriation for $27,500 of state special revenue in fiscal 1994 and $27,500 of state special revenue in fiscal 1995 from fee revenue derived from House Bill No. 516 (now Chapter 566, Laws of 1993).

Item 2 contains $16,376 in fiscal 1994 and $16,375 in fiscal 1995 to pay two payments of the $81,876 owed to Montana state university for the energy retrofit of the Marsh laboratory. It is the legislature's intent that the total amount owed be paid in five consecutive annual payments.

~~Item 2 contains an appropriation for $85,000 of state special revenue in fiscal 1994 and $85,000 of state special revenue in fiscal 1995 derived from the per capita levy. If House Bill No. 516 is passed and approved, the funding source for these state special revenue appropriations will be revenue derived from fees enacted by that bill.~~

~~Item 4 contains an appropriation for $161,802 of state special revenue in fiscal 1994 and $164,191 of state special revenue in fiscal 1995 derived from the per capita levy. If House Bill No. 516 is passed and approved, the funding source for these state special revenue appropriations will be revenue derived from fees enacted by that bill.~~

Item 2 contains an appropriation for $85,000 of state special revenue in fiscal 1994 and $85,000 of state special revenue in fiscal 1995 from fee revenue derived from House Bill No. 516 (now Chapter 566, Laws of 1993).

Item 4 contains an appropriation for $161,802 of state special revenue in fiscal 1994 and $164,191 of state special revenue in fiscal 1995 from fee revenue derived from House Bill No. 516 (now Chapter 566, Laws of 1993).

State special revenue appropriations in item 7 are to be funded from money derived from annual meat establishment license fees established in 81-9-201.

Appropriations in item 7b are to be used only to contract with the department of health and environmental sciences for meat inspection at the retail level.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION (5706)

1.	Centralized Services (21) ~~788,403~~ 751,848	~~865,003~~ 863,145	121,922			~~1,775,328~~ 1,736,915	~~857,603~~ 784,634	~~859,574~~ 856,256	77,806			~~1,794,983~~ 1,718,696

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	Fiscal 1994					Fiscal 1995				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Legislative Audit (Restricted/Biennial)	43,252					43,252						
b. Missouri River Lawsuit (Biennial)	19,590					19,590						
c. *State Fund Cost Allocation*	6,233					6,233		12,517				12,517
2. Oil and Gas Conservation (22)	~~1,211,785~~	~~1,211,785~~				~~2,423,570~~		~~1,206,509~~				~~1,206,509~~
	1,211,785					1,211,785		1,206,509				1,206,509
3. Conservation and Resource Development Division (23)	~~1,240,433~~	~~1,162,584~~	~~77,000~~			~~2,480,017~~		~~1,167,158~~	~~77,000~~			~~1,244,158~~
	1,162,584		77,000			1,239,584		1,167,158				1,244,158
a. EPA Wetlands Grant (Biennial)	5,000					5,000						
b. River Coordinator	25,272					25,272			12,637			12,637
c. Saline Seep	100,000					100,000		100,000				100,000
d. Treasure State Endowment	36,146					36,146		60,128				60,128
e. Water Reservations Lower Missouri Basin (Biennial)	45,000					45,000						
~~f. HB 616 Clean Coal (Biennial)~~	~~50,000~~					~~50,000~~						
4. Water Resources Division (24)	~~3,040,344~~	~~3,459,895~~	~~52,500~~			~~6,552,739~~		~~1,447,575~~	~~52,500~~			~~1,500,075~~
	1,992,719	3,512,895	52,500			5,558,114	2,001,016	3,447,575				5,501,091
a. State Water Project Rehabilitation (Biennial)	2,395,000	11,256,000				13,651,000						
b. Transfer of Water Projects	36,800					36,800		36,800				36,800
c. Transfer of Water Projects Operating Expenses (Biennial)	51,488					51,488						
d. Missouri River Reservation												

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		68,869				68,869		70,072				70,072
e.	Missouri River Reservation Operating Expenses (Biennial)											
		181,500				181,500						
f.	Broadwater Fisheries Mitigation (Biennial)											
		52,100				52,100						
g.	Dam Rehabilitation Engineer (FWP)											
		46,340				46,340		42,373				42,373
h.	SB 280 — Implement a Portion of the 1992 State Water Plan											
		35,467				35,467		34,767				34,767
i.	Yellowstone National Park Controlled Ground Water Area (Biennial)											
		9,708				9,708						
5.	Reserved Water Rights Compact Commission (25)											
		500,613				500,613		500,475				500,475
6.	Energy Division (26)											
	~~566,446~~	1,203,576	987,850			~~2,757,872~~	~~545,428~~	1,223,560	991,135			~~2,760,123~~
	540,196					*2,731,622*	*519,178*					*2,733,873*
a.	Rock Creek Mitigation (Biennial)											
					400,000	400,000						
b.	Lake Broadview (Biennial)											
		30,280				30,280						
c.	School Energy Retrofit (Biennial)											
			600,000			600,000						
7.	Vacancy Savings											
	169,387	214,167			2,431	385,985	171,660	216,841				388,501
8.	Budget Balancing Reduction											
	16,734					16,734	16,695					16,695
Total												
	~~3,330,062~~	~~11,304,543~~	13,125,544		397,569	~~28,157,718~~	~~3,322,275~~	~~8,595,584~~	1,211,076			~~13,038,937~~
	3,161,480	*11,335,362*				*28,019,955*	*3,116,473*	*8,541,349*				*12,868,900*

Included in centralized services division funding is $35,000 of indirect funds from MFSA/MEPA fees. If MFSA/MEPA activities generate more than $35,000 of indirect funds over the biennium, the additional indirect funds must be deposited in the general fund.

The board of oil and gas conservation is appropriated $110,000 per year of federal revenue, contingent upon receiving federal funds from the environmental protection agency for the underground injection control program.

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

If House Bill No. 60 is not passed and approved, item 3 is increased by $3,425 in state special revenue funds (local impact account) in both fiscal 1994 and fiscal 1995 and a new line item for "HB 616 — Clean Coal (Biennial)" is added in the conservation and resource development division (CARD), with $50,000 of RIT reclamation and development funds in fiscal 1994. In addition, item 4 is increased by $53,425 in general fund money in fiscal 1994 and by $3,425 in general fund money in fiscal 1995 and is decreased by $53,425 in state special revenue funds in fiscal 1994 and by $3,425 in state special revenue funds in fiscal 1995.

Item 3c is funded with RIT reclamation and development funds. ~~If this modification is approved, the~~ *The* Montana salinity control association may not receive a RIT reclamation and development grant in the 1995 biennium.

The department is appropriated up to $700,000 from the account established in 76-14-112 for rangeland loans during the 1995 biennium.

All funds deposited in the state special revenue account established in 76-15-530 are appropriated to the department for distribution as grants to conservation districts.

All funds held in the state special revenue account in accordance with 76-16-106(2) are appropriated to the department for administration of grazing district activities.

The department is appropriated up to $1 million over the biennium from the account established in 85-1-604 for purchase of prior liens on property held as loan security as required by 85-1-618.

~~On passage and approval of House Bill No. 608, operating expenses and RIT tax proceeds state special revenue funds in item 3 are increased by $27,526 per year.~~

During the 1995 biennium, the department shall attempt to:

(1) negotiate elimination of escalator clauses in regional office rent agreements; and

(2) negotiate reductions to current regional office rent charges.

Funds received under the provisions of 85-1-514(4) are appropriated to the department for the purpose of performing duties required under 85-1-514.

Any fines collected under the provisions of Title 85, chapter 2, and deposited in the water right appropriation account in accordance with 85-2-318 are appropriated to the department to carry out the enforcement functions required under 85-2-114.

Funds received from bonds required by 37-43-306 are appropriated to the department for the purpose of performing remedial action on water wells, providing compensation for damages caused by water well violations, or paying administration costs incurred by the board of water well contractors.

All interest earned on the Montana power company Beaverhead grant is appropriated to the department for use on the Beaverhead ground water study.

All funds currently in or to be deposited in the Broadwater replacement and renewal account are appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility or to service the Broadwater hydropower bond debt if revenue deposited in the debt service account is insufficient for this purpose.

All interest earned on the Broadwater users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project.

Funds received by the department from arbitration, litigation awards, or settlements, including funds from the escrow account currently established in an escrow agreement between voith hydro, inc., the department, and norwest bank, Helena, pursuant to agreement 1189.1 Broadwater power project, are authorized to be spent to pay costs, including bond debt associated with the Broadwater power project.

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Item 4g is funded with fish, wildlife, and parks (FWP) state special revenue and provides for a 1.0 FTE engineer and related operating expenses to work on FWP dams. The department shall report on the results of this project to the 54th legislature, and expenditures from this item may not be used in constructing the current level base for the 1997 biennium.												
The department is appropriated up to $700,000 from the Rock Creek trust account in addition to the $400,000 included in item 6a. The total appropriation for item 6a may not exceed $1,100,000 over the biennium.												
Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.												
DEPARTMENT OF AGRICULTURE (6201)												
1. Central Management Division (15)	~~159,184~~	~~210,228~~	39,828	~~24,034~~	9,674	~~468,648~~	~~148,757~~	~~245,108~~	39,978	~~26,195~~	9,714	~~478,152~~
	154,989	238,094		26,056		468,641	148,766	245,066		26,158		469,702
a. Legislative Audit (Restricted/Biennial)	30,569					30,569						
b. CMD — Federal Position			23,988			23,988			24,032			24,032
2. State Grain Laboratory Program (25)		461,651				461,651		458,716				458,716
a. *Special Session Grain Laboratory (Restricted)*		321,796				321,796		256,593				256,593
3. Agricultural and Biological Sciences Division (30)	~~63,566~~	~~2,527,316~~	330,500			~~2,915,674~~	~~64,840~~	~~2,511,156~~	330,500			~~2,926,496~~
	4,210	2,527,866				2,862,576	17,977	2,531,063				2,879,540
a. Special County Weed District Grants		999,937				999,937		129,004				129,004
b. EPA Special Pesticide Projects			110,434			110,434			110,422			110,422
c. Continue FY 92 Budget Amendment (Restricted)			39,999			39,999						
d. FARM*A*SYST (Restricted)			35,000			35,000						
e. SB 334 — Pesticide Disposal and Recycling Program		220,445				220,445		233,045				233,045
f. State Fund Cost Allocation		1,794				1,794		3,063				3,063

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
4. Plant Industry Division (40)												
	~~145,642~~	~~524,969~~	5,615	8,421		~~684,647~~	~~110,367~~	~~561,732~~	5,731	8,566		~~686,436~~
	145,614	*524,887*				*684,537*	*110,316*	*561,625*				*686,238*
a. Additional Potato Inspections		40,736				40,736		40,736				40,736
b. Liquidation Contingency Fund (Biennial)		20,000				20,000						
c. Ag Inspectors Reclassification	1,794	22,112				23,906	1,794	22,112				23,906
d. Insect Surveys			10,350			10,350			10,350			10,350
e. *State Fund Cost Allocation*		*332*				*336*		*760*				*769*
5. Agricultural Development Division (50)												
	~~182,861~~	1,826,234		~~188,902~~	~~67,316~~	~~2,265,313~~	~~175,383~~	1,858,918		~~187,021~~	~~65,433~~	~~2,286,755~~
	182,861			*188,902*	*67,316*	*2,265,313*	*175,383*			*187,021*	*65,433*	*2,286,755*
a. *State Fund Cost Allocation*		*1,050*		*1,104*		*2,154*		*2,316*		*2,432*		*4,748*
6. Vacancy Savings	40,867	84,709			11,174	136,750	40,364	95,051			11,298	136,713
7. Budget Balancing Reduction	2,663					2,663	2,305					2,305
Total												
	~~539,985~~	~~6,743,141~~	595,714	~~224,438~~	~~65,816~~	~~8,484,749~~	~~411,587~~	~~6,257,966~~	521,013	~~224,186~~	~~63,849~~	~~7,478,601~~
	476,507	*7,122,225*		*224,467*	*65,816*	*8,484,749*	*411,587*	*6,257,966*		*224,186*	*63,849*	*7,478,601*

If federal indirect assessments received are in excess of $39,828 in fiscal 1994 and $39,978 in fiscal 1995, the general fund appropriation in item 1 is reduced by the excess received up to $232,750 in fiscal 1994 and up to $201,780 in fiscal 1995 and the federal appropriation is increased by like amounts.

~~If House Bill No. 193 is not passed and approved or is passed and approved in a form in which revenue generated by that bill is deposited in the general fund, the general fund appropriation in item 1 is increased by $35,597 in fiscal 1994 and by $35,749 in fiscal 1995 and the state special revenue appropriation is decreased by like amounts.~~

Item 2a is to be used only for expenditures relating to the state grain laboratory program.

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Items 3 and 3a contain a state special revenue appropriation of $1,285,168 in fiscal 1994 and $1,142,523 in fiscal 1995 for grants of vehicle weed fees that must be used according to 80-7-810.

In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include expenditures from item 3c in the current level base.

In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from item 3d in the current level base.

~~Item 3c is contingent on passage and approval of Senate Bill No. 331.~~

~~If House Bill No. 193 is not passed and approved or is passed and approved in a form in which revenue generated by that bill is deposited in the general fund, the general fund appropriation in item 4 is increased by $228,396 in fiscal 1994 and by $222,508 in fiscal 1995 and the state special revenue appropriation is decreased by like amounts.~~

~~If House Bill No. 193 is not passed and approved or is passed and approved in a form in which revenue generated by that bill is deposited in the general fund, the general fund appropriation in item 4a is increased by $40,736 in fiscal 1994 and by $40,736 in fiscal 1995 and the state special revenue appropriation is decreased by like amounts.~~

~~If House Bill No. 193 is not passed and approved or is passed and approved in a form in which revenue generated by that bill is deposited in the general fund, the general fund appropriation in item 4c is increased by $8,969 in fiscal 1994 and by $8,969 in fiscal 1995 and the state special revenue appropriation is decreased by like amounts.~~

The department is authorized to make grants to state agencies from the growth through agriculture account as approved by the Montana agriculture development council in accordance with Title 90, chapter 9. The state agency that receives a grant from the Montana agriculture development council is authorized additional appropriation authority equal to the grant amount.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF COMMERCE (6501)

1. Public Safety Division (01)						
	70,841	71,279	142,120	70,841	~~71,560~~	~~142,401~~
					24,459	95,300
a. Legislative Audit (Restricted/Biennial)						
		206	206			
2. Weights and Measures Bureau (02)						
	~~420,767~~		~~476,767~~	~~498,748~~		~~498,748~~
	559,206		559,206	556,339		556,339
a. Legislative Audit (Restricted/Biennial)						
	1,494		1,494			
b. *State Fund Cost Allocation*						
	726		*726*	*1,437*		*1,437*
3. Financial Institutions (36)						

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		~~913,587~~				~~913,587~~		~~931,510~~				~~931,510~~
		913,467				913,467		931,294				931,294
a.	Legislative Audit (Restricted/Biennial)											
		2,668				2,668						
b.	Banking Code Revision											
		258,984				258,984		244,094				244,094
c.	*State Fund Cost Allocation*											
		1,714				*1,714*		*3,444*				*3,444*
4.	Milk Control Bureau (37)											
		~~269,067~~				~~269,067~~		~~270,309~~				~~270,309~~
		268,992				*268,992*		*270,653*				*270,653*
a.	Legislative Audit (Restricted/Biennial)											
		804				804						
b.	*State Fund Cost Allocation*											
		406				*406*		*816*				*816*
5.	Professional and Occupational Licensing Bureau (39)											
		3,149,935		1,115,910		4,265,845		3,028,251		1,114,196		4,142,447
a.	Legislative Audit (Restricted/Biennial)											
				9,889		9,889						
b.	POL Board Requests											
		103,349				103,349		104,349				104,349
c.	POL Pool Workload Increase											
				153,182		153,182				135,172		135,172
d.	Computer Equipment (Biennial)											
				50,000		50,000						
e.	*State Fund Cost Allocation*											
		2,006		*2,121*		*4,127*		*3,949*		*4,186*		*8,135*
6.	Business Development Division (51)											
	~~678,510~~	~~583,495~~	2,475,463			~~3,743,468~~	~~601,264~~	~~519,263~~	2,477,608			~~3,678,095~~
	562,228	*589,466*				*3,627,157*	*546,362*	*519,171*				*3,543,141*
a.	Legislative Audit (Restricted/Biennial)											
	2,192	206	2,192			4,590						
b.	*State Fund Cost Allocation*											
		327				*327*		*592*				*592*

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	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	Fiscal 1994						Fiscal 1995					
7. Montana Promotion Division (52)												
	~~7,503,134~~					~~7,503,134~~		~~7,835,992~~				~~7,835,992~~
	7,562,908					7,562,908		7,835,576				7,835,576
a. Legislative Audit (Restricted/Biennial)		17,812				17,812						
b. Montana Promotions FTE		44,064				44,064		44,120				44,120
c. *State Fund Cost Allocation*		3,496				3,496		7,200				7,200
8. Community Development Bureau (60)												
	~~242,305~~	372,514	22,501,768			~~23,116,587~~	~~241,421~~	374,512	23,017,710			~~23,633,643~~
	242,259					23,116,541	241,338					23,633,560
a. Legislative Audit (Restricted/Biennial)	466	1,352	13,440			15,258						
b. Hard-Rock Revenue (Restricted)		100,000				100,000		100,000				100,000
c. Treasure State Endowment		181,000				181,000		203,000				203,000
d. HOME/CHAS Program			5,422,419			5,422,419			5,423,568			5,423,568
e. Section 107 Technical Assistance Grant			73,826			73,826			27,448			27,448
f. Coal Board Grants (Biennial)		1,956,558				1,956,558						
g. *State Fund Cost Allocation*		382				382		772				772
9. Office of Research and Information Services (61)												
	~~284,510~~					~~284,510~~	~~285,685~~					~~285,685~~
	284,290					284,290	285,685					285,685
a. Legislative Audit (Restricted/Biennial)	907					907						
b. Decennial Census Work	35,821					35,821	33,903					33,903
10. Local Government Services Audit/Systems (62)												

	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	150,620			~~1,331,374~~		~~1,481,994~~	151,789			~~1,347,184~~		~~1,498,973~~
				1,331,227		*1,481,847*				*1,346,925*		*1,498,714*
	a. Legislative Audit (Restricted/Biennial)											
				3,578		3,578						
	b. *State Fund Cost Allocation*											
				2,041		*2,041*				*4,100*		*4,100*
11.	Local Government Assistance — Administration (64)											
				127,649		127,649				127,898		127,898
	a. Legislative Audit (Restricted/Biennial)											
				376		376						
12.	Building Codes Bureau (65)											
		~~1,395,177~~				~~1,395,177~~		~~1,592,424~~				~~1,592,424~~
		1,395,030				*1,395,030*		*1,592,157*				*1,592,157*
	a. Legislative Audit (Restricted/Biennial)											
		4,614				4,614						
	b. Additional Building Inspectors											
		187,276				187,276		243,749				243,749
	c. *State Fund Cost Allocation*											
		2,374				*2,374*		*5,001*				*5,001*
13.	Indian Affairs Coordinator (70)											
	~~104,155~~		91,109			~~195,264~~	~~104,687~~		91,295			~~195,982~~
	104,094					*195,203*	*104,580*					*195,875*
	a. Legislative Audit (Restricted/Biennial)											
	311		196			507						
14.	Health Facilities Authority (71)											
				139,541		139,541				143,283		143,283
	a. Legislative Audit (Restricted/Biennial)											
				4,607		4,607						
	b. HFA Audit and Bond Fees											
				30,081		30,081				30,081		30,081
	c. *State Fund Cost Allocation*											
				127		*127*				*255*		*255*
15.	Montana Science and Technology Alliance (73)											
		448,475				448,475		455,960				455,960

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	Fiscal 1994						Fiscal 1995				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Legislative Audit (Restricted/Biennial)		8,903				8,903						
b. *State Fund Cost Allocation*		*495*				*495*		*995*				995
16. Board of Housing (74)				1,444,648		1,444,648				1,452,694		1,452,694
a. Legislative Audit (Restricted/Biennial)				57,093		57,093						
b. *State Fund Cost Allocation*				*1,349*		*1,349*				*2,669*		*2,669*
17. Board of Investments (75)				1,790,178		1,790,178				1,804,804		1,804,804
a. Legislative Audit (Restricted/Biennial)				101,218		101,218						
b. Board of Investments Workload Increase				40,000		40,000				40,000		40,000
c. *State Fund Cost Allocation*				*2,195*		*2,195*				*4,336*		*4,336*
18. Montana Lottery (77)				7,064,303		7,064,303				6,690,421		6,690,421
a. Legislative Audit (Restricted/Biennial)				139,033		139,033						
b. *State Fund Cost Allocation*				*4,959*		*4,959*				*9,521*		*9,521*
19. Board of Horseracing (78)		~~240,191~~				~~240,191~~		~~241,257~~				~~241,257~~
		240,147				*240,147*		*241,188*				*241,188*
a. Legislative Audit (Restricted/Biennial)		581				581						
b. *State Fund Cost Allocation*		*299*				*299*		*600*				*600*
20. Director/Management Services (81)		~~103,364~~		~~858,825~~		~~962,189~~	~~104,208~~			~~862,805~~		~~967,013~~
		103,362		*858,487*		*961,849*	*104,206*			*812,475*		*916,681*

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Legislative Audit (Restricted/Biennial)												
	285					285						
b. Data Processing/Computer Capacity (Biennial)												
				100,000		100,000						
21. Vacancy Savings												
	65,811	181,253		278,262		525,326	65,989	183,311		278,942		528,242
22. Budget Balancing Reduction												
	7,688					7,688	7,686					7,686
Total												
	~~1,529,947~~	~~18,177,682~~	30,580,413	~~14,954,795~~		~~64,642,567~~	~~1,629,587~~	~~16,563,519~~	31,037,629	~~13,541,156~~		~~62,635,891~~
	1,413,336	*18,271,618*		*14,367,015*		*64,632,382*	*1,391,188*	*16,656,749*		*13,468,533*		*62,557,099*

~~On passage and approval of House Bill Nos. 17 and 70, equipment and state special revenue funds in item 2 are increased by $63,000 in fiscal 1994 and $26,661 in fiscal 1995.~~

All funds deposited in accordance with 15-35-108(3)(c) are appropriated to the department for distribution as county land planning grants.

If the federally funded equal employment opportunity (EEO) contract is not renewed, the general fund appropriation in item 13 is increased by $2,035 in fiscal 1994 and by $1,941 in fiscal 1995.

It is the intent of the legislature that the Montana science and technology alliance be funded only with revenue received from loan repayments in the 1995 biennium.

At the beginning of each fiscal year, the board of housing shall deposit all funds appropriated in items 16 and 16a and in the pay plan bill for that fiscal year in the housing authority enterprise fund within the state treasury. These funds must remain in the state treasury until expended.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

TOTAL SECTION C												
	~~14,528,332~~	~~30,266,400~~	~~62,544,660~~	~~17,343,095~~	~~463,415~~	~~173,145,902~~	~~14,498,113~~	~~67,364,314~~	49,695,935	~~16,681,860~~	~~63,903~~	~~148,213,333~~
	13,901,664	*79,039,048*	*62,538,410*	*17,356,368*	*463,385*	*173,298,875*	*13,668,845*	*68,238,232*		*16,610,672*	*63,849*	*148,277,533*

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	Fiscal 1994						Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
					D. INSTITUTIONS AND CULTURAL EDUCATION						
MONTANA ARTS COUNCIL (5114)											
1. Promotion of the Arts (01)											
~~114,079~~	265,504	283,073			~~644,656~~	~~122,342~~	159,127	205,680			~~492,549~~
103,979					*652,556*	*122,219*					*487,026*
a. Legislative Audit (Restricted/Biennial)											
14,634					14,634						
b. Federal Grants (Biennial)											
		618,017			618,017						
c. Folklife Program											
	35,820				35,820		35,978				35,978
d. Rural Arts Specialist											
	24,428	24,649			49,077		24,630	24,852			49,482
e. NEA/Tribal College AIE											
		24,610			24,610			21,380			21,380
2. Vacancy Savings											
1,241	4,579				5,820	3,216	6,068				9,284
3. Budget Balancing Reduction											
647					647	623					623
Total											
~~116,825~~	321,173	950,349			~~1,400,347~~	~~123,903~~	213,667	251,912			~~589,482~~
116,725					*1,388,247*	*118,380*					*583,959*
MONTANA STATE LIBRARY COMMISSION (5115)											
1. State Library Operations (01)											
~~1,296,485~~	~~161,400~~	1,531,584			~~2,988,969~~	~~1,849,364~~	~~161,000~~	371,584			~~1,581,948~~
1,275,434	*160,866*				*2,967,884*	*1,007,617*	*160,759*				*1,539,960*
a. Legislative Audit (Restricted/Biennial)											
14,634					14,634						
b. Donations and Bequests (Biennial)											
	55,000				55,000						
2. Natural Resource Information Services (07)											

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		295,539	815,000			1,110,539		245,546	15,000			260,546
a.	State Lands Core Support											
		2,400	7,600			10,000		2,400	7,600			10,000
b.	Highways NRIS Support											
		100,000				100,000		100,000				100,000
3.	Vacancy Savings											
	15,957	3,730				19,687	24,342	10,016				34,358
4.	Budget Balancing Reduction											
	6,475					6,475	5,125					5,125
Total												
	~~1,268,697~~	~~610,275~~	2,354,184			~~4,253,080~~	~~1,019,897~~	~~498,539~~	194,184			~~1,913,011~~
	1,267,636	*610,075*				*4,231,895*	*976,150*	*498,689*				*1,871,023*

Item 1 includes biennial appropriations of ~~$258,631~~ *$243,621* in general funds and $1,160,000 of federal funds for grants to local libraries.

Item 1b includes a one-time biennial appropriation for an additional bequest of $30,000 for the library for the blind that may not be included in the current level base in the agency budget request for the 1997 biennium.

In the event coal severance tax allocated to the Montana state library under 15-35-108(3)(f) exceeds the amounts appropriated to the Montana state library for fiscal 1994 and fiscal 1995, the additional funds are appropriated to the Montana state library commission for pass-through to the library federations. The additional appropriation allowed is not to exceed $30,000 each year.

The biennial appropriation for legislative contract authority of $850,000 included in item 2 is subject to the following provisions:

(1) Legislative contract authority applies only to federal and private funds.

(2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.

(3) A report must be submitted by the Montana state library commission to the legislative fiscal analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project.

Item 2b provides spending authority for the expenditure of amounts paid by the department of transportation to the Montana state library for the department's use of the natural resource information services, based on the rates and manner of payment negotiated by the Montana state library and the department. The funds collected from the department must be deposited in a state special revenue account and must be used to support the natural resource information services.

The Montana state library shall, in consultation with the department of administration, review the cost-effectiveness, along with other relevant considerations, of operating its in-house mail facilities compared to department of administration services. The Montana state library shall report its conclusions, along with department of administration comments, to the office of budget and program planning and the office of the legislative fiscal analyst by June 1, 1994, and to the respective appropriations subcommittee of the 1995 legislature.

MONTANA HISTORICAL SOCIETY (5117)

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1. Administration Program (01)												
	~~532,705~~	~~82,635~~	44,854			~~659,394~~	~~573,440~~	~~82,736~~	45,184			~~705,860~~
	562,771	82,557				690,182	559,112	82,596				686,892
a. Legislative Audit (Restricted/Biennial)												
	18,341					18,341						
b. *State Fund Cost Allocation*												
		184				*184*		*426*				*426*
2. Library Program (02)												
	456,601	6,942		30,674		494,217	450,315	7,157		33,070		490,542
a. Photo Archives Storage												
				2,400		2,400				2,400		2,400
b. Photograph Print Washer												
										1,095		1,095
c. Photo Archives Clerk												
				4,449		4,449				4,449		4,449
d. Motion Picture Conservator												
				1,200		1,200				1,200		1,200
e. *State Fund Cost Allocation*												
		26		*46*		*72*		*30*		*96*		*126*
3. Museum Program (03)												
	225,307	11,121		4,115		240,543	224,862	11,121		4,122		240,105
a. Original Governor's Mansion Preservation												
		3,700				3,700		3,700				3,700
b. *State Fund Cost Allocation*												
		25		*4*		*29*		*50*		*9*		*59*
4. Publication (04)												
	51,465			~~522,880~~		~~574,420~~	51,465			~~525,100~~		~~576,565~~
				521,880		573,345				*524,877*		576,342
a. Legislative Audit (Restricted/Biennial)												
				781		781						
b. Press Editor												
				12,938		12,938				12,975		12,975
c. Press Book Authority												
				12,000		12,000				12,000		12,000

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
d. *State Fund Cost Allocation*				569		569				1,251		1,251
5. Historical Sites Preservation (06)												
	~~86,181~~		621,391			~~707,572~~	~~61,193~~		615,269			~~696,462~~
	60,181					681,572	41,193					656,462
a. Legislative Audit (Restricted/Biennial)												
	843		4,425			5,268						
b. CRABS Database Managers												
			14,092			14,092			14,092			14,092
c. Field Survey Historian												
			27,930			27,930			27,930			27,930
d. *State Fund Cost Allocation*												
		75				75						
6. Vacancy Savings												
	46,612	3,014		10,763		60,389	46,545	3,075		10,914		60,534
7. Budget Balancing Reduction												
	6,792					6,792	6,696					6,696
Total												
	~~1,351,611~~	~~101,984~~	712,692	~~539,209~~		~~2,745,514~~	~~1,332,534~~	~~101,639~~	702,475	~~585,497~~		~~2,722,145~~
	1,322,105	101,616		580,293		2,716,706	1,273,706	102,005		586,630		2,664,816

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES (6401)

1. Central Operations (10)												
	~~2,245,861~~	~~21,084~~		19,368		~~2,281,451~~	~~2,313,982~~	~~30,123~~		22,852		~~2,367,234~~
	2,234,005	26,929				2,260,302	2,312,190	30,123				2,365,165
a. Legislative Audit (Restricted/Biennial)												
	126,143	7,879	1,556	5,885		141,463						
b. *State Fund Cost Allocation*												
		3,631		2,730		6,361		7,299		5,487		12,786
2. Corrections (20)												
	~~27,670,726~~	~~850,362~~	461,443	~~4,687,280~~		~~32,677,811~~	~~27,536,366~~	~~820,513~~	465,879	3,922,784		~~32,845,542~~

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	27,876,666	850,361		4,052,280		33,242,750	27,536,313	920,512				32,845,488
a.	BA 84, 79, 87 Prison Ranch											
				120,000		120,000				121,951		121,951
b.	HB 617 — Federally Certified Industries Programs											
										178,524		178,524
c.	*Capital Improvements/Maintenance (Biennial)*											
				700,000		700,000						
3.	Mental Health (30)											
	30,931,800	233,127	1,824,423			32,989,350	31,756,478	233,127	1,717,486			33,707,091
a.	Galen Changes											
	303,411					303,411	313,698					313,698
b.	Registered Nurses											
	78,858					78,858	81,480					81,480
4.	Chemical Dependency (40)											
		2,790,121	2,802,162			5,592,285		2,851,732	2,763,298			5,615,030
a.	Galen Changes											
		131,209				131,209		135,439				135,439
5.	Developmental Disabilities (50)											
	16,110,411	39,859	13,000			16,163,270	16,645,801	39,859	13,000			16,698,660
6.	Veterans' Nursing Homes (60)											
		2,220,196	995,440			3,215,638		2,277,350	1,064,902			3,342,252
a.	Eastern Montana Veterans' Nursing Home Startup											
								325,000				325,000
7.	Vacancy Savings											
	1,446,015	120,596		60,715		1,627,326	1,478,429	122,244		62,438		1,663,111
Total												
	~~76,218,335~~	~~6,176,243~~	6,098,024	~~3,771,818~~		~~92,263,420~~	~~77,169,376~~	~~6,691,135~~	6,024,565	~~4,183,633~~		~~94,068,709~~
	76,217,279	6,162,720		4,839,546		93,337,571	77,167,531	6,698,197		4,189,160		93,079,453

The legislature directs the department to work toward limiting the number of prisoners at Montana state prison to 850 inmates. Item 2 includes an appropriation sufficient to maintain that number of inmates.

Item 3 includes $82,280 in fiscal 1994 and $130,900 in fiscal 1995 that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state building energy conservation program.

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Item 3 includes $100,000 each year of the biennium for maintenance of the Galen campus.

The legislature directs the department to maintain the Galen campus in good condition during the 1995 biennium while the department seeks potential users of the facilities. If a use can be found that will not have a negative state general fund impact during the 1995 biennium, the department is authorized to make the necessary transfer after review by the legislative finance committee.

~~If House Bill No. 332 is not passed and approved, the general fund appropriation in item 3 is reduced by $35,626 in fiscal 1994 and by $77,966 in fiscal 1995 and the state special revenue appropriation in item 6 is reduced by $32,166 in fiscal 1994 and by $76,986 in fiscal 1995.~~

Item 5 includes $4,675 in fiscal 1995 that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state building energy conservation program.

The department shall coordinate the development of programs for children with severe emotional disturbances. The departments of family services, health and environmental sciences, and social and rehabilitation services and the office of public instruction and the board of crime control shall fully cooperate and coordinate resources with the department.

The departments of family services, corrections and human services, health and environmental sciences, and social and rehabilitation services and the office of public instruction and the board of crime control shall collaboratively develop, administer, and fund services for children with severe emotional disturbances and with multiagency service needs. The departments and agencies are directed to develop community-based alternatives to inpatient psychiatric care and to reduce the number of residential care placements.

The departments and agencies may use general fund money, state special revenue, private funds, local government funds, and federal special revenue to design, administer, and provide programs for children with severe emotional disturbances. The departments and agencies may use available state and federal funding, within appropriation limits. The departments and agencies shall maximize the recovery of federal funds for these services, including waivers to the medicaid program to permit children with severe emotional disturbances to be served in their own homes and communities or, when appropriate, in the least-restrictive setting. The departments and agencies may use general fund money to match federal, local government, and private fund sources.

Whenever possible, the departments and agencies shall work with local providers and units of government to develop programs to serve children with severe emotional disturbances. Services may include but are not limited to case management services, day treatment, respite care, emergency services, and crisis intervention and stabilization services. Programs may include a managed care system, when allowable, to control entry into and exit from in-state and out-of-state residential facilities and to control the types and duration of services and reimbursement rates.

The departments and agencies shall encourage families to assist with payment of these services.

Items entitled "State Fund Cost Allocation" are contingent upon passage and approval of House Bill No. 21.

TOTAL SECTION D										
~~38,587,485~~	~~7,212,000~~	10,115,249	~~4,351,417~~		~~100,666,251~~	~~75,645,716~~	~~7,505,411~~	7,373,136	~~4,769,170~~	~~93,293,427~~
78,923,745	7,215,584		5,419,841		101,674,419	79,537,767	7,512,558		4,775,790	99,199,251

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

E. EDUCATION

University system units are defined in 17-7-102(16). For all university system units, except the office of the commissioner of higher education, all funds, other than plant funds appropriated in ~~[the long-range planning bill]~~ *House Bill No. 5 (now Chapter 624, Laws of 1993)*, relating to long-range building, and current unrestricted operating funds, are appropriated contingent upon approval of the comprehensive program budget by the board of regents by October 1 of each year. The budget must contain detailed revenue and expenditures and anticipated fund balances of current funds, loan funds, endowment funds, and plant funds. All movement of funds between the current unrestricted subfund and the designated subfund account entities must be clearly identified in the state budgeting and accounting system.

Programs for the university system units' budgets, except the office of the commissioner of higher education, include instruction, organized research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships.

All university system units, except the office of the commissioner of higher education, shall account for expenditures consistently within programs and funds across all units and shall use the national center for higher education management systems program classification structure, along with the college and university business administration (CUBA) system, as a minimum standard for achieving consistency.

Included within state special revenue to the six university units and the office of the commissioner of higher education is the sum of $16,956,000 in fiscal 1994 and $13,899,000 in fiscal 1995 from revenue generated under the provisions of 20-25-423. The department of revenue shall levy the full 6 mills as authorized in 20-25-423. Revenue received by the university system under the provisions of 20-25-423 that exceeds $16,956,000 in fiscal 1994 and $13,899,000 in fiscal 1995 is appropriated to the office of the commissioner of higher education and must cause a reversion of a like amount of general fund. If revenue received under the provisions of 20-25-423 is less than $16,956,000 in fiscal 1994 and $13,899,000 in fiscal 1995, the office of the commissioner of higher education may request a supplemental appropriation under the procedures contained in 17-7-301 for distribution to the university system. The supplemental request may total no more than the difference between actual revenue and the appropriation in each fiscal year.

OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION (3501)

1. Administration (06)										
~~3,202,630~~	311,991	~~3,561,565~~	~~1,811,954~~		~~8,188,140~~	~~3,244,773~~	~~215,480~~	~~3,571,105~~	~~1,804,816~~	~~8,138,420~~
3,156,694		3,425,490	1,810,564		7,904,739	3,410,734	204,860	3,503,268	1,004,334	8,123,196
a. Legislative Audit (Restricted/Biennial)										
57,866					57,866					
b. Transfer (Restricted/Biennial)										
~~836,532~~					~~836,532~~					
873,996					873,996					
c. Advanced Drivers' Education										
	** 27				11,127		26,127			26,127
d. School Food Commodities										
	55,000				55,000		55,000			55,000
e. Miscellaneous Federal Funds										
		914,299			914,299			1,155,728		1,155,728
f. Cooperative Purchase Aid										

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		8,900				8,900		18,200				18,200
g.	Resource and Publications	15,000				15,000		15,000				15,000
h.	Indirect Cost Pool			110,000		110,000				110,000		110,000
i.	Legal Fees (Restricted/Biennial)	28,500				28,500						
j.	METNET (Restricted/Biennial)		400,000			400,000						
2.	Distribution to Public Schools (09)											
a.	Special Education (Restricted)	32,845,797				32,845,797	32,845,797					32,845,797
b.	Special Education Contingency (Restricted/Biennial)	2,031,163				2,031,163						
c.	Transportation (Restricted)	5,693,558	3,908,166			9,601,724	5,693,558	3,914,457				9,608,015
d.	School Foods (Restricted)	599,397				599,397	599,397					599,397
e.	Adult Basic Education (Restricted/Biennial)	250,000				250,000	250,000					250,000
f.	Individuals With Disabilities Education Act - B (Biennial)		1,823,000			1,823,000						
g.	Job Training Partnership Act (Biennial)		1,017,200			1,017,200						
h.	Adult Basic Education (Biennial)		1,365,000			1,365,000						
i.	McKinney Homeless Act (Biennial)		180,400			180,400						
j.	Preschool Incentive (Biennial)		230,000			230,000						
k.	Vocational Education (Biennial)		6,022,525			6,022,525						
l.	Individuals With Disabilities Education Act - D (Biennial)		12,000			12,000						

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
m. Chapter 1 (Biennial)			540,000			540,000						
n. Foreign Language (Biennial)			99,000			99,000						
o. Even Start Family Literacy (Biennial)			925,000			925,000						
p. Instate Treatment (Restricted/Biennial)	2,273,320					2,273,320						
q. Instate Residential Services (Biennial)	376,471					376,471						
r. School Food Services	29,940					29,940	45,673					45,673
s. Gifted and Talented (Restricted/Biennial)	300,000					300,000						
t. Secondary Vocational Education (Restricted/Biennial)	1,300,000					1,300,000						
3. Vacancy Savings	108,319	7,174		24,597		140,090	100,127	7,212		32,724		140,063
4. Budget Balancing Reduction	248,884					248,884	212,895					212,895
Total	~~49,623,671~~	4,703,010	~~14,689,680~~	~~1,097,467~~		~~72,010,127~~	~~42,144,201~~	~~4,317,052~~	~~4,727,814~~	~~1,084,112~~		~~52,514,399~~
	49,459,499		16,553,914	1,095,967		71,812,390	42,532,137	4,226,432	4,658,996	1,081,610		52,499,175

If House Bill No. 89 is not passed and approved, the state special revenue appropriation for item 1 for fiscal 1995 is increased by $110,620 and the traffic safety program FTE that are funded through a language appropriation are also increased by 2.5.

If House Bill No. 89 is not passed and approved, the general fund appropriation for item 1 for fiscal 1994 is increased by $65,936, current level FTE is increased by 2.5, and the general fund appropriation for item 1 for fiscal 1995 is reduced by $65,936. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the $65,936 in the base.

If House Bill No. 89 is not passed and approved, the general fund appropriation for item 1 for fiscal 1995 is reduced by $100,000. In preparing the 1997 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the $100,000 in the base.

Item 1j must be used to carry out the responsibilities of the superintendent of public instruction as provided in Title 20, chapter 32, part 1.

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The office of public instruction may use up to 1% from the appropriation provided in item 2a to provide the matching funds necessary for medicaid reimbursements paid for medicaid-eligible services provided by public school districts.

The office of public instruction may transfer up to 1% from the appropriation provided in item 2a to the department of family services (DFS) to provide the matching funds necessary for medicaid reimbursements paid for education costs of children with disabilities.

The appropriation in item 2b is for unforeseen expenses that may arise in special education programs in local districts. The office of public instruction may transfer any unused balance in this appropriation into the special education appropriation in item 2a.

The office of public instruction may distribute the amounts required from the appropriation in item 2p to public school districts for the purpose of providing education costs in day-treatment services.

The office of public instruction may transfer up to $700,000 from item 2p to the department of family services to provide the matching funds necessary for medicaid reimbursements paid for education costs of children receiving in-state residential treatment services.

All revenue received in the state traffic education account under the provisions of 20-7-504 is appropriated as provided in Title 20, chapter 7, part 5.

BOARD OF PUBLIC EDUCATION (5101)

1.	Administration (01)											
	110,949	9,550				120,499	110,031	9,550				119,581
	a. Legislative Audit (Restricted/Biennial)											
	1,219					1,219						
2.	Advisory Council (03)											
		77,336				77,336		76,427				76,427
	a. Legislative Audit (Restricted/Biennial)											
		1,220				1,220						
3.	Vacancy Savings											
	4,068	3,036				7,104	4,063	3,043				7,106
4.	Budget Balancing Reduction											
	541					541	530					530
Total												
	107,559	85,070				192,629	105,438	82,934				188,372

SCHOOL FOR THE DEAF AND BLIND (5113)

1.	Administration Program (01)											
	222,974					222,974	223,057					223,057
	a. Legislative Audit (Restricted/Biennial)											

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	26,016					26,016						
2.	General Services Program (02)											
	293,902					293,902	307,844					307,844
3.	Student Services (03)											
	875,115		34,000			909,115	875,847		34,000			909,847
4.	Education (04)											
	1,099,737	455,797	72,823			1,628,357	1,079,601	463,797	72,823			1,616,221
	a. Copier											
							18,000					18,000
	b. *Out-of-State Tuition*											
	72,546					72,546						
5.	Vacancy Savings											
	15,890	3,223				19,113	15,917	3,318				19,235
6.	Budget Balancing Reduction											
	12,509					12,509	12,442					12,442
Total												
	~~2,409,345~~	452,574	106,823			~~3,648,742~~	2,475,990	460,479	106,823			3,043,292
	2,561,891					*3,121,288*						

All revenue received from the rental use of the MSDB facilities must be deposited into a state special revenue account. All revenue deposited into this account is appropriated for use by MSDB.

Item 2 contains $4,900 in fiscal 1994 and $4,900 in fiscal 1995 that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state building energy conservation program.

Item 4b represents out-of-state tuition and is not to be used for the outreach program. This appropriation is not to be included in the base for the 1997 biennium budget request.

Out-of-state tuition received by MSDB and deposited to the general fund in fiscal 1995 is appropriated from the general fund but may not exceed $75,000.

MONTANA COUNCIL ON VOCATIONAL EDUCATION (5116)

	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1.	Administration Program (01)											
			161,680			161,680			165,781			165,781
	a. Legislative Audit (Restricted/Biennial)											
			3,577			3,577						
Total												

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			165,257			165,257			165,781			165,781
COMMISSIONER OF HIGHER EDUCATION (5102)												
1. Administration Program (01)												
	~~920,664~~					~~920,664~~	~~926,867~~					~~926,867~~
	920,559					920,559	926,702					926,702
a. Legislative Audit (Restricted/Biennial)												
	22,764					22,764						
2. Student Assistance Program (02) (Restricted)												
	5,155,717		305,000			5,460,717	5,059,192		305,000			5,364,192
3. Dwight D. Eisenhower Mathematics and Science Education Act (03)												
			296,803			296,803			296,806			296,806
4. Community College Assistance (04)												
	4,202,132					4,202,132	4,202,132					4,202,132
a. Legislative Audit (Restricted/Biennial)												
	29,890					29,890						
5. Montana University System Group Insurance Program (05)												
				17,976,875		17,976,875				19,844,204		19,844,204
6. Talent Search (06)												
			290,420			290,420			291,266			291,266
a. Talent Search												
			119,014			119,014			158,184			158,184
b. Minority Achievement												
	87,824					87,824	87,824					87,824
7. Carl D. Perkins Administration (08)												
	84,293		5,106,169			5,190,462	80,000		5,101,876			5,181,876
8. Guaranteed Student Loan Program (12)												
			1,877,842			1,877,842			1,888,642			1,888,642
a. Guaranteed Student Loan 1												
			722,567			722,567			797,436			797,436
b. Guaranteed Student Loan 2												
			766,996			766,996			767,080			767,080
c. Legislative Audit (Restricted/Biennial)												
			5,854			5,854						
9. Board of Regents — Administration (13)												

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	33,521					33,521	34,024					34,024
10. Board of Regents Bond Payments (14)	216,995					216,995	111,483					111,483
11. Vocational-Technical Center Administration (15)	100,263					100,263	100,517					100,517
12. Montana Career Information System (16)				99,949		99,949				100,015		100,015
a. Additional School Services				50,051		50,051				54,985		54,985
13. Vacancy Savings	42,990			8,881		51,871	42,860			8,905		51,765
14. Personal Services Contingencies (Restricted/Biennial)	4,299			1,776		6,075	4,286			1,781		6,067
15. Budget Balancing Reduction	54,077					54,077	52,817					52,817
16. General Fund Reduction (Biennial)	*6,000,000*					*6,000,000*						
17. 6-Mill Levy Offset	*4,438,631*	*4,438,631*					*1,332,000*	*1,332,000*				
Total	~~13,741,295~~		9,490,665	18,119,770		~~58,371,730~~	~~19,510,586~~		9,606,290	19,992,080		~~49,108,958~~
	322,559	*4,438,631*				32,371,625	9,178,483	*1,332,000*				40,108,853

It is the intent of the 53rd legislature that no funds be transferred in fiscal 1994 or fiscal 1995 from the student assistance program to any other program within the office of the commissioner of higher education.

Any indirect cost reimbursements received in excess of $20,885 in fiscal 1994 and $20,885 in fiscal 1995 as a result of an increase in the federal talent search grant must cause a general fund reversion of a like amount.

~~If House Bill No. 5 is not passed and approved in a form that results in the issuance of general obligation bonds for prepayment of the remaining payment obligations for the Butte vocational-technical center, the general fund appropriation in item 10 is increased by $165,115 in fiscal 1994 and by $167,275 in fiscal 1995.~~

In the event that bond payments on the ~~Butte,~~ Great Falls, and/or Billings vocational-technical centers are less than the amounts shown in item 10 in either year of the 1995 biennium, the difference between the appropriated amount and actual payments is appropriated for preplanning purposes to complete the unfinished space at the Great Falls Vocational-Technical Center.

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	Fiscal 1994					Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The general fund appropriation for each community college includes 49% of the total unrestricted budgets for the community colleges in fiscal 1994 and fiscal 1995. The total unrestricted budgets for the community colleges must be approved by the board of regents.

The general fund appropriation for each community college provides 49% of the total audit cost. The remaining 51% of these costs are to be paid from funds other than those appropriated in item 4. Audit costs for the biennium may not exceed $18,000 each for Dawson and Miles community colleges and $25,000 for Flathead Valley community college.

The legislature expects, as a result of the general fund reductions adopted in [this act], that the governor and the board of regents will manage these reductions in the following manner:

(1) Administrative cuts should precede and meet or exceed, on a percentage basis, reductions in any other area of the university system. Management efficiencies, as prescribed by the MGT study, should be implemented to the greatest extent and as soon as possible.

(2) Faculty productivity standards should be negotiated and implemented.

(3) Enrollment limits and tuition increases should be used only as a last resort.

The 53rd legislature does not require that the board of regents' employee reporting system (RERS) be maintained in the 1995 biennium. However, it is the intent of the legislature that accurate, consistent, and accessible position and compensation information be available to the legislature and the governor. The Montana university system, except the office of the commissioner of higher education and the community colleges, shall provide the following information electronically to the legislative fiscal analyst and the office of budget and program planning:

(1) On January 1 and at fiscal yearend beginning in fiscal 1994 and each year thereafter, the actual personal services data. This data must tie to the actual expenditures as recorded on SBAS.

(2) Beginning November 1, 1993, and each year thereafter, the budgeted personal services data. The data must tie to the operating plan as approved by the board of regents.

This personal services data must include but not be limited to the following for each position number: program number, responsibility center, salary, benefits, fund type, and FTE position title and position type. The initial submission of this information must be reviewed and approved for accuracy, consistency, and accessibility by the joint committee on postsecondary education policy and budget.

Item 16 reduces the total appropriation to the Montana university system. The board of regents shall determine the proportional share of the reduction to be allocated to each unit of the Montana university system and reduce its general fund appropriation accordingly.

The board of regents may find it necessary to increase tuition at the six university units and the five vocational-technical centers in fiscal year 1995 as a result of the general fund reductions contained in [this act]. Any additional tuition revenue over the appropriated level is appropriated to the board of regents for allocation to the six university units and the five vocational-technical centers. The legislature urges the commissioner of higher education to work with student representatives to consider using a portion of any fiscal year 1995 tuition increase for tuition assistance for needy in-state students. The commissioner shall submit the results of these meetings to the board of regents prior to the adoption of any fiscal year 1995 tuition increases.

Item 17 reduces the general fund appropriation and increases the 6-mill levy state special revenue appropriation to the six university units of the Montana university system. Item 17 is appropriated to the office of the commissioner of higher education for distribution by the board of regents, who shall determine the proportional share of the reduction in general fund money and the increase in state special revenue money to be allocated to each of the six university units. The board of regents shall reduce each unit's general fund appropriation and increase its state special revenue appropriation accordingly. It is the intent of the legislature that the general fund reduction at each of the six university units be offset, on a dollar-for-dollar basis, with the additional 6-mill levy state special revenue appropriation.

BILLINGS VOCATIONAL-TECHNICAL CENTER (3511)

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1. Combined Operations (01,07,44)	1,188,169	327,741			469,315	1,985,225	1,194,378	333,717			469,315	1,997,410
a. Legislative Audit (Restricted/Biennial)	26,341					26,341						
Total	1,214,510	327,741			469,315	2,011,566	1,194,378	333,717			469,315	1,997,410

Total audit costs are estimated to be $29,268 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

State special appropriations are revenue generated under the provisions of 20-16-202, which requires each county in which a vocational-technical center is located to levy an annual tax of 1.5 mills on all taxable property within the county.

BUTTE VOCATIONAL-TECHNICAL CENTER (3512)

1. Combined Operations (01,07,44)	1,239,674	81,383			346,566	1,667,623	1,243,160	82,733			346,566	1,672,459
a. Legislative Audit (Restricted/Biennial)	32,195					32,195						
Total	1,271,869	81,383			346,566	1,699,818	1,243,160	82,733			346,566	1,672,459

Total audit costs are estimated to be $35,772 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

State special appropriations are generated under the provisions of 20-16-202, which requires each county in which a vocational-technical center is located to levy an annual tax of 1.5 mills on all taxable property within the county.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER (3513)

1. Combined Operations (01,07,44)	1,669,390	156,776			684,163	2,510,329	1,675,801	159,538			684,163	2,519,502
a. Legislative Audit (Restricted/Biennial)	29,268					29,268						
Total	1,698,658	156,776			684,163	2,539,597	1,675,801	159,538			684,163	2,519,502

Total audit costs are estimated to be $32,520 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

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	Fiscal 1994						Fiscal 1995				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

State special appropriations are revenue generated under the provisions of 20-16-202, which requires each county in which a vocational-technical center is located to levy an annual tax of 1.5 mills on all taxable property within the county.

HELENA VOCATIONAL-TECHNICAL CENTER (3514)

1. Combined Operations (01,07,44)										
1,890,735	114,499			606,615	2,611,849	1,897,449	116,514			606,615	2,620,578
a. Legislative Audit (Restricted/Biennial)										
32,195					32,195						
Total										
1,922,930	114,499			606,615	2,644,044	1,897,449	116,514			606,615	2,620,578

Total audit costs are estimated to be $35,772 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

State special appropriations are revenue generated under the provisions of 20-16-202, which requires each county in which a vocational-technical center is located to levy an annual tax of 1.5 mills on all taxable property within the county.

MISSOULA VOCATIONAL-TECHNICAL CENTER (3515)

1. Combined Operations (01,07,44)										
2,003,764	211,601			620,064	2,835,429	2,006,884	215,498			620,064	2,842,446
a. Legislative Audit (Restricted/Biennial)										
26,341					26,341						
Total										
2,030,105	211,601			620,064	2,861,770	2,006,884	215,498			620,064	2,842,446

Total audit costs are estimated to be $29,268 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

State special appropriations are revenue generated under the provisions of 20-16-202, which requires each county in which a vocational-technical center is located to levy an annual tax of 1.5 mills on all taxable property within the county.

It is the intent of the legislature that the board of regents have additional appropriation flexibility to operate the vocational-technical centers during the 1995 biennium. Therefore, the legislature has approved for each vocational-technical center a single appropriation for its general operations. The appropriation for each postsecondary vocational-technical center listed above is for the following programs: instruction, academic support, student services, institutional support, and operation and maintenance of plant.

It is further the intent of the legislature that all fiscal matters pertaining to the postsecondary vocational-technical centers during the 1995 biennium and the 1997 biennium budget request be recorded, maintained, and submitted using the college and university business administration (CUBA) fund structure and functional expenditure classifications.

UNIVERSITY OF MONTANA (5103)

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1. Combined Operations (01, 02, 03, 07, 08, and 44)	25,244,156	4,495,027			22,052,811	51,791,994	25,342,171	4,512,622			22,052,811	51,907,604
a. Legislative Audit (Restricted/Biennial)	61,789					61,789						
Total	25,305,945	4,495,027			22,052,811	51,853,783	25,342,171	4,512,622			22,052,811	51,907,604

Total audit costs are estimated to be $123,577 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

Item 1 contains ~~$68,255~~ *$14,000* in fiscal 1994 and $260,865 in fiscal 1995 that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state building energy conservation program.

MONTANA STATE UNIVERSITY (5104)

1. Combined Operations (01, 02, 03, 07, 08, and 44)	30,920,426	4,499,293			19,922,177	55,341,896	31,075,236	4,516,905			19,922,177	55,514,318
a. Legislative Audit (Restricted/Biennial)	65,041					65,041						
Total	30,985,467	4,499,293			19,922,177	55,406,937	31,075,236	4,516,905			19,922,177	55,514,318

Total audit costs are estimated to be $130,081 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY (5105)

1. Combined Operations (01, 02, 07, 08, and 44)	7,163,802	780,775			3,142,449	11,087,026	7,215,736	783,831			3,142,449	11,142,016
a. Legislative Audit (Restricted/Biennial)	49,512					49,512						
2. Bureau of Mines — Independent Operations (11)	1,303,362				44,000	1,347,362	1,291,542				44,000	1,335,542
a. Ground Water Assessment (Restricted)		666,000				666,000		666,000				666,000
Total	8,516,676	1,446,775			3,186,449	13,149,900	8,507,278	1,449,831			3,186,449	13,143,558

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total audit costs are estimated to be $66,016 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1, 1a, and 2.												
Item 2a is for ground water activities in accordance with Title 85, chapter 2, part 9, and equals the total anticipated deposits to the fund each year. The bureau of mines may not expend funds in any year from this appropriation over the amount deposited to the account.												
EASTERN MONTANA COLLEGE (5106)												
1. Combined Operations (01, 03, 07, 08, and 44)	4,618,695	1,488,071			5,179,754	16,286,520	9,668,074	1,493,896			5,179,754	16,341,724
a. Legislative Audit (Restricted/Biennial)	60,488					60,488						
Total	4,679,183	1,488,071			5,179,754	16,347,008	9,668,074	1,493,896			5,179,754	16,341,724
Total audit costs are estimated to be $80,650 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.												
Item 1 contains $3,628 in fiscal 1994 and $17,989 in fiscal 1995 that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state building energy conservation program.												
NORTHERN MONTANA COLLEGE (5107)												
1. Combined Operations (01, 07, 08, and 44)	5,407,088	793,101			2,650,914	8,851,103	5,425,267	796,205			2,650,914	8,872,386
a. Legislative Audit (Restricted/Biennial)	45,854					45,854						
Total	5,452,942	793,101			2,650,914	8,896,957	5,425,267	796,205			2,650,914	8,872,386
Total audit costs are estimated to be $61,138 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.												
Item 1 contains $38,335 in fiscal 1994 and $38,335 in fiscal 1995 that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state building energy conservation program.												
WESTERN MONTANA COLLEGE OF THE UNIVERSITY OF MONTANA (5108)												
1. Combined Operations (01, 07, 08, and 44)	3,232,223	461,733			1,522,544	5,216,500	3,260,385	463,541			1,522,544	5,246,470
a. Legislative Audit (Restricted/Biennial)	50,732					50,732						

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	Fiscal 1994						Fiscal 1995					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total	3,282,955	461,733			1,522,544	5,267,232	3,260,385	463,541			1,522,544	5,246,470

Total audit costs are estimated to be $67,642 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

It is the intent of the legislature that the board of regents have additional appropriation flexibility to operate the six university system units and the vocational-technical centers during the 1995 biennium. Therefore, the legislature has approved for each university system unit a single appropriation for its general operations. The appropriations for each postsecondary university system unit listed above is for the following programs, as appropriate: instruction, academic support, student services, institutional support, operation and maintenance of plant, scholarships and fellowships, research, and public service.

The board of regents may transfer appropriations between fiscal years within each fund type. The transfer may not exceed 10% of the unit appropriation. Upon approval of a transfer, the board of regents shall inform the legislative fiscal analyst and the office of budget and program planning of the transfer and the justification for the transfer. Funds may not be transferred among units of the university system.

It is further the intent of the legislature that all fiscal matters pertaining to the university system units during the 1995 biennium and the 1997 biennium budget request be recorded, maintained, and submitted using the college and university business administration (CUBA) fund structure and functional expenditure classifications.

~~Included within state special revenue to the six university system units is the sum of $12,518,000 in fiscal 1994 and $12,567,000 in fiscal 1995 from revenue generated under the provisions of 20-25-423. The department of revenue shall levy the full 6 mills as authorized in 20-25-423. Revenue received by the university system under the provisions of 20-25-423 that exceeds $12,518,000 in fiscal 1994 and $12,567,000 in fiscal 1995 is appropriated to the office of the commissioner of higher education for distribution to the university system.~~

AGRICULTURAL EXPERIMENT STATION (5109)

1.	Organized Research (02)											
	7,226,947				2,300,013	9,526,960	7,263,780				2,300,013	9,563,793
2.	United States Range Station (15)											
					490,531	490,531					492,745	492,745
Total	7,226,947				2,790,544	10,017,491	7,263,780				2,792,758	10,056,538

COOPERATIVE EXTENSION SERVICE (5110)

1.	Public Service (03)											
	2,786,119				2,161,652	4,947,771	2,788,897				2,161,652	4,950,549
Total	2,786,119				2,161,652	4,947,771	2,788,897				2,161,652	4,950,549

FORESTRY AND CONSERVATION EXPERIMENT STATION (5111)

1. Research (02)

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	Fiscal 1994						Fiscal 1995					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
702,762					702,762	702,782					702,782
Total											
702,762					702,762	702,782					702,782
FIRE SERVICES TRAINING SCHOOL (5119)											
1. Public Service (03)											
248,214					248,214	230,853					230,853
a. Legislative Audit (Restricted/Biennial)											
3,252					3,252						
Total											
251,466					251,466	230,853					230,853
The fire services training school must be provided office, classroom, and storage space in the Great Falls vocational-technical center at no charge.											
TOTAL SECTION E											
~~165,214,734~~	~~1,...~~	~~...45c,734~~	~~11,217,123~~	62,193,568	~~...1,767~~	~~153,748,612~~	~~13,021,...~~	~~14,...,...20~~	~~21,076,192~~	62,195,782	~~274,639,838~~
154,780,042	23,755,285	26,316,659	19,215,737		284,261,291	156,574,443	20,242,845	14,537,890	21,073,690		274,624,650
TOTAL STATE FUNDING											
~~470,681,...~~	~~41,...,734~~	~~...,...,420~~	~~110,717,...~~	~~64,...,...~~	~~1,...,...,540~~	~~468,...,512~~	~~...,...,144~~	~~...,...,...~~	~~233,377,799~~	~~64,067,330~~	~~1,...,...,...~~
456,553,722	346,305,060	701,011,703	110,127,922	64,583,580	1,678,581,987	455,169,234	333,547,856	671,768,937	109,091,221	64,076,214	1,633,653,462

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Section 2. Section 2, Chapter 624, Laws of 1993, is amended to read:

"Section 2. **Capital projects appropriations.** (1) The following money is appropriated for the indicated capital projects from the indicated sources to the department of administration, which is authorized to transfer the appropriated money among the necessary fund types for these projects:

Agency/Project	LRBPF	Other Funding Sources	
DEPARTMENT OF ADMINISTRATION			
Environmental Hazards Fund, Statewide (5)	$850,000		
Demolition Projects, Statewide (10)	187,600		
Handicapped Access, Capitol Complex (11)	230,000		
Construction Litigation, Architecture and Engineering Division (14)	200,000		
Improve Parking Lots, Capitol Complex (17)	120,000		
Historical Society Climate Control, Capitol Complex (19)	85,000		
Energy Conservation Projects, Statewide		$ 800,000	Federal Special Revenue
		1,000,000	Nonstate State Special Revenue
State Fund Building Remodel		*111,000*	*Proprietary*
DEPARTMENT OF CORRECTIONS & HUMAN SERVICES			
Upgrade Fire Safety Systems, Eastmont Human Services Center and Montana State Hospital (1)	150,000		
Replace Roofs, Corrections and Human Services (9)	140,000		
Install Environmental Controls, Center for the Aged (15)	355,180		
Prison Dairy Dormitory		605,212	Proprietary
DEPARTMENT OF EDUCATION			
Maintenance & Improvements, Montana School for the Deaf & Blind (18)	107,192		
DEPARTMENT OF FAMILY SERVICES			
Install Fire Safety Systems, Pine Hills School and Mountain View School (2)	~~627,000~~ *517,000*		
Miscellaneous Repairs, Pine Hills School and Mountain View School (4)	143,500		
DEPARTMENT OF FISH, WILDLIFE & PARKS			
Flathead Lake State Park Improvements		172,500	State Special Revenue
		111,215	State Special Revenue-Other
		200,000	State Special Revenue-Motor Fuels Tax
		516,285	Federal Special Revenue
Makoshika State Park Improvements		264,000	State Special Revenue
		716,000	State Special Revenue-Other
		200,000	State Special Revenue-Motor Fuels Tax
		320,000	Federal Special Revenue
Bannack State Park Preservation		168,000	State Special Revenue
		1,732,000	State Special Revenue-Other
		100,000	State Special Revenue-Motor Fuels Tax
Lake Elmo State Park Improvements		150,000	State Special Revenue-Other
		200,000	State Special Revenue-Motor Fuels Tax
Ulm Pishkun State Park Planning		200,000	State Special Revenue-Other
State Parks Road Improvements		1,800,000	State Special Revenue
Warehouse Code Upgrade & Improvements		113,000	State Special Revenue
Washoe Park Trout Hatchery Improvements		175,000	State Special Revenue
		525,000	Federal Special Revenue

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Fishing Access Site Development, Statewide		315,000	State Special Revenue
		745,000	Federal Special Revenue
Site Protection and Improvements to Thompson Chain of Lakes		150,000	State Special Revenue
		300,000	Federal Special Revenue
Fish Hatchery Maintenance, Statewide		96,750	State Special Revenue
		290,250	Federal Special Revenue
Wildlife Habitat Maintenance, Statewide		630,000	State Special Revenue
Headquarters Repair, Statewide		200,000	State Special Revenue
Design Bluewater Hatchery Replacement		112,500	State Special Revenue
		337,500	Federal Special Revenue
Oxygenate Giant Springs Hatchery Water		171,750	State Special Revenue
		515,250	Federal Special Revenue
Waterfowl Stamp Program, Statewide		87,500	State Special Revenue
		75,000	Federal Special Revenue
Department Property Development, Statewide		210,000	State Special Revenue
Upgrade Wildlife Rehabilitation Center		200,000	State Special Revenue-Donations
DEPARTMENT OF LABOR & INDUSTRY			
Maintain Job Services, Statewide		273,400	Federal Special Revenue
Preliminary Design to Expand and Renovate Job Services, Statewide		50,000	Federal Special Revenue
DEPARTMENT OF LIVESTOCK			
Diagnostic Laboratory Enhancement, Vet Research Lab, MSU		1,198,000	State Special Revenue
DEPARTMENT OF MILITARY AFFAIRS			
Repairs & Improvements, Statewide (16)	185,000		
State Veterans' Cemetery, Phase III, Helena		75,000	State Special Revenue
		75,000	Federal Special Revenue
Federal Spending Authority		300,000	Federal Special Revenue
DEPARTMENT OF TRANSPORTATION			
Repair, Maintenance & Minor Construction Projects, Statewide		130,000	Highways State Special Revenue
Equipment Buildings, Statewide		1,370,000	Highways State Special Revenue
Highway Welcome and Farewell Signs		26,000	State Special Revenue
		174,000	Federal Special Revenue
MONTANA UNIVERSITY SYSTEM			
Upgrade Boiler #3, Montana State University (3)	519,000	346,000	Auxiliary
Electrical Upgrades, Montana Tech (6)	130,000		
Improve Steam & Condensate Lines, Montana State University (7)	450,000	300,000	Auxiliary
Replace & Improve Roofs, University System (8)	666,564		
Install Elevator, Liberal Arts Building, University of Montana (12)	280,000		
Install Elevator, Old Main, Western Montana College (13)	242,500		
Authority Only Projects, University of Montana		1,300,000	Federal, Higher Education Funds, Plant, and/or Donations
Gas Bypass at Mount Sentinel-UM		500,000	Higher Education
Campus Storage Building, Montana Tech		65,000	Higher Education Funds and/or Plant
Animal Science Machine Shop-Bozeman Agricultural Research Center		400,000	Higher Education

(2) The projects funded by LRBPF in [section 6] and this section are to be funded in priority order. The priority number is shown after the project name in parentheses. In the event there is insufficient revenue to fund all of the projects, the projects must be funded in priority order.

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(3) For purposes of obtaining cash for the construction litigation appropriation authority in [section 2(1)], the architecture and engineering division of the department of administration may transfer any excess LRBPF money from an agency as long as the transfer does not move funds required to complete any authorized agency project.

(4) (a) The appropriations funded by "state special revenue-other" for the first five park projects under the department of fish, wildlife, and parks are contingent on $2.9 million of new revenue being generated from pending legislation to provide a portion of the state match for the projects. In four of the five projects is $700,000 of funding from state special revenue-motor fuels tax. ~~These four projects are contingent on passage and approval of Senate Bill No. 257 or any other bill that increases revenue sufficient to fund the projects.~~

~~(b) The state parks road improvements project is contingent on passage and approval of Senate Bill No. 257 or any other bill that increases the motor fuels tax sufficient to fund the project.~~

~~(c)~~(b) For the purposes of using in-kind matching values, the amounts listed under state special revenue may be decreased and the amounts listed under federal special revenue may be increased by a like amount for those projects listed under the department of fish, wildlife, and parks.

~~(5) (a) The amount of $1,155,000 for the equipment buildings project for the department of transportation is contingent on passage and approval of Senate Bill No. 257 or any other bill that increases the motor fuels tax sufficient to fund the project.~~

~~(b)~~(5) The amount of state special revenue appropriated for highway welcome and farewell signs may be decreased and the federal special revenue may be increased by a like amount in the event that additional federal revenue is available."

Section 3. Section 1, Chapter 550, Laws of 1993, is amended to read:

"Section 1. **Appropriations.** (1) ~~If Senate Bill No. 285 is passed and approved, the~~ The department of health and environmental sciences is appropriated ~~$750,000~~ $700,000 of general fund money in fiscal year 1994 and ~~$750,000~~ $650,000 of general fund money in fiscal year 1995 for the health care authority.

(2) ~~If Senate Bill No. 285 is passed and approved, the~~ The state auditor's office is appropriated $178,385 of general fund money in fiscal year 1994 and $163,817 of general fund money in fiscal year 1995."

Section 4. Section 11, Chapter 623, Laws of 1993, is amended to read:

"Section 11. **Personal services funding — 1997 biennium — *special session budget reductions — local government safeguards.*** (1) Except as provided in subsection (2), current and modified funding level budget requests for the 1997 biennium submitted under Title 17, chapter 7, part 1, by each executive, judicial, and legislative branch agency and the commissioner of higher education must include funding of first level personal services separate from funding of other expenditures. The funding of first level personal services by accounting entity for each fiscal year must be shown for each control variable

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in agency budget requests for the 1997 biennium submitted to the office of budget and program planning.

(2) The provisions of subsection (1) do not apply to the rest of the Montana university system.

(3) It is the intent of the legislature that reductions in appropriations to state agencies that are imposed by the 1993 legislature in special session in [this act] and that are intended as reductions to state agency operations may not cause a reduction in funding or cause an increase in cost to local government entities."

Section 5. **Legislative intent.** It is the intent of the legislature that the agency and program appropriation tables that are prepared by the legislative fiscal analyst, that show first level expenditures and funding for the 1995 biennium for [section 1], and that accompany the free conference committee report be adopted as legislative intent.

Section 6. **Effective date.** [This act] is effective on passage and approval.

CHAPTER NO. 31

[HB 33]

AN ACT REVISING THE LAWS RELATING TO THE MONTANA MEDICAID PROGRAM; REVISING MEDICAID MANAGED CARE; PERMITTING A CAPITATED HEALTH CARE SYSTEM; CREATING ADVISORY GROUPS; REQUIRING SYSTEMS PROPOSALS TO BE SUBMITTED TO THE LEGISLATIVE FINANCE COMMITTEE; AMENDING SECTIONS 53-6-104 AND 53-6-116, MCA; REPEALING SECTION 53-6-103, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE FOR THE ADVISORY GROUP.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 53-6-104, MCA, is amended to read:

"53-6-104. Freedom of doctors to treat recipients of medical assistance — freedom to select doctor. (1) The department of social and rehabilitation services shall provide for professional freedom of those licensed practitioners who provide medical assistance under this part and provide reasonable freedom of choice to recipients of medical aid to select the vendor or provider of medical care, services, or prescribed drugs.

(2) Nothing in this section may be construed to prohibit the department from imposing conditions on the payment of provider services and the receipt of medical assistance, as provided for under 53-6-111 and 53-6-113 through ~~53-6-115~~ *53-6-116.*"

Section 2. Section 53-6-116, MCA, is amended to read:

"53-6-116. Medicaid managed care — *capitated health care.* (1) The department of social and rehabilitation services, in its discretion, may develop managed-care *and capitated health care* systems for medicaid recipients.

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(2) *The department may contract with one or more persons for the management of comprehensive physical health services and the management of comprehensive mental health services for medicaid recipients. The department may contract for the provision of these services by means of a fixed monetary or capitated amount per recipient.*

(3) A managed-care system is a program organized to serve the medical needs of medicaid recipients in an efficient and cost-effective manner by managing the receipt of medical services for a geographical or otherwise defined population of recipients through appropriate health care professionals.

~~(3)~~*(4)* The provision of medicaid services through managed-care *and capitated health care* systems is not subject to the limitations provided in 53-6-101~~, 53-6-103,~~ and 53-6-104.

(5) The proposed systems, referred to in subsection (1), must be submitted to the legislative finance committee. The legislative finance committee shall review the proposed systems at its next regularly scheduled meeting and shall provide any comments concerning the proposed systems to the department of social and rehabilitations services."

Section 3. **Mental health advisory group.** The department of social and rehabilitation services shall develop the mental health managed care plan in consultation with an advisory group. The advisory group shall consist of representatives from mental health services clients and their family members, community mental health centers, private mental health services providers, the Montana legislature, the department of social and rehabilitation services, the department of corrections and human services, the state hospital, Montana hospitals, and other appropriate groups.

Section 4. **Physical provider advisory group.** The department of social and rehabilitation services shall develop the physical care managed care plan in consultation with an advisory group. The advisory group must consist of representatives from health services clients and their family members, private physical care providers, the Montana legislature, the department of social and rehabilitation services, the department of corrections and human services, Montana hospitals, and other appropriate groups.

Section 5. **Repealer.** Section 53-6-103, MCA, is repealed.

Section 6. **Effective date.** [This act] is effective January 1, 1994.

Section 7. **Termination.** [Sections 3 and 4] terminate June 30, 1995.

Approved January 3, 1994.

CHAPTER NO. 32

[HB 56]

AN ACT CLARIFYING THAT MANDATORY APPROVAL FOR ATTENDANCE OUTSIDE A CHILD'S SCHOOL DISTRICT OF RESIDENCE IS NOT REQUIRED IF CERTAIN GEOGRAPHIC CONDITIONS ARE MET AND IF THE DISTRICT OF RESIDENCE PROVIDES TRANSPORTATION AND IS

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WITHIN THE SAME COUNTY AS THE CHILD'S SCHOOL DISTRICT OF CHOICE; AMENDING SECTION 20-5-321, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 20-5-321, MCA, is amended to read:

"20-5-321. Attendance with mandatory approval — tuition and transportation. (1) An out-of-district attendance agreement that allows a child to enroll in and attend a school in a Montana school district that is outside of the child's district of residence or in a public school district of a state or province that is adjacent to the county of the child's residence is mandatory whenever:

(a) the child resides closer to the school that the child wishes to attend and more than 3 miles from the school the child would attend in the resident district *and:*

(i) the resident district does not provide transportation; or

(ii) the district of residence provides transportation and is not within the same county as the child's school district of choice;

(b) the child resides in a location where, due to road or geographic conditions, it is impractical to attend the school nearest the child's residence;

(c) the child is a member of a family ~~who must~~ *that is required to* send another child outside of the elementary district to attend high school and the child of elementary age may more conveniently attend an elementary school where the high school is located, provided *that* the child resides more than 3 miles from an elementary school in the resident district or *that* the parent ~~must~~ *is required to* move to the elementary district where the high school is located to enroll another child in high school;

(d) the child has been adjudicated by a court of competent jurisdiction to be an abused, neglected, or dependent child, as defined in 41-3-102, or a youth in need of supervision or a delinquent youth, as defined in 41-5-103, and has been placed in a licensed youth care facility that is approved by the department of family services and, as a result of the placement, is required to attend school outside of the child's district of residence; or

(e) the child is required to attend school outside of the district of residence as the result of a placement by a state agency or parent in a group home licensed by the state or an order of a court of competent jurisdiction.

(2) (a) Whenever a parent or guardian of a child, an agency of the state, or a court wishes to have a child attend a school under the provisions of this section, the parent or guardian, agency, or court shall complete an out-of-district attendance agreement in consultation with an appropriate official of the district the child will attend.

(b) The attendance agreement must set forth the financial obligations, if any, for costs incurred for tuition and transportation as provided in 20-5-323 and Title 20, chapter 10.

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(c) The trustees of the district of choice may waive any or all of the tuition rate, but any waiver must be applied equally to all students.

(3) Except as provided in subsection (4), the trustees of the resident district and the trustees of the district of choice shall approve the out-of-district attendance agreement and notify the county superintendent of schools of the county of the child's residence of the approval of the agreement within 10 days. The county superintendent shall approve the agreement for payment under 20-5-324(5).

(4) Unless the child is a child with disabilities who resides in the district, the trustees of the district where the school to be attended is located may disapprove an out-of-district attendance agreement whenever they find that, due to insufficient room and overcrowding, the accreditation of the school would be adversely affected by the acceptance of the child."

Section 2. **Effective date — retroactive applicability.** [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to attendance agreements signed after [the effective date of this act] for the school fiscal year beginning July 1, 1994.

Approved January 3, 1994.

CHAPTER NO. 33

[HB 60]

AN ACT ELIMINATING THE CLEAN COAL TECHNOLOGY DEMONSTRATION FUND; ELIMINATING THE CLEAN COAL TECHNOLOGY PROGRAM; AMENDING SECTION 17-5-703, MCA; REPEALING SECTIONS 15-24-2301, 15-24-2302, 90-4-901, 90-4-902, 90-4-903, 90-4-904, 90-4-905, AND 90-4-906, MCA; SECTION 11, CHAPTER 722, LAWS OF 1991; AND SECTIONS 1, 2, 3, 4, AND 5, CHAPTER 515, LAWS OF 1993; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 17-5-703, MCA, is amended to read:

"**17-5-703. Coal severance tax trust funds.** (1) The trust established under Article IX, section 5, of the Montana constitution ~~shall be~~ *is* composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax ~~shall~~ *must* be deposited;

(b) a treasure state endowment fund;

~~(c) a clean coal technology demonstration fund;~~

~~(d)~~*(c)* a coal severance tax permanent fund;

~~(e)~~*(d)* a coal severance tax income fund; and

~~(f)~~*(e)* a coal severance tax school bond contingency loan fund.

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(2) The state treasurer shall determine the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund on the next two ensuing semiannual payment dates and retain that amount in the coal severance tax bond fund.

(3) (a) On January 21, 1992, and continuing as long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12 months.

~~(4) Beginning July 1, 1991, and ending June 30, 1997, from any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3), the department of revenue shall, upon request from the department of natural resources and conservation, transfer an amount up to $5 million per fiscal year to the clean coal technology demonstration fund.~~

~~(5)~~*(4)* Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to ~~subsections~~ *subsection* (3) ~~and (4)~~.

~~(6)~~*(5)* (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund."

Section 2. **Repealer.** Sections 15-24-2301, 15-24-2302, 90-4-901, 90-4-902, 90-4-903, 90-4-904, 90-4-905, and 90-4-906, MCA; section 11, Chapter 722, Laws of 1991; and sections 1, 2, 3, 4, and 5, Chapter 515, Laws of 1993, are repealed.

Section 3. **Effective date.** [This act] is effective on passage and approval.

Approved January 3, 1994.

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CHAPTER NO. 34

[HB 64]

AN ACT INCREASING FROM 2 MILLS TO 3 MILLS THE MAXIMUM AMOUNT THAT A BOARD OF TRUSTEES OF A UNIFIED K-12 SCHOOL DISTRICT MAY LEVY FOR ADULT EDUCATION; AMENDING SECTION 20-7-705, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 20-7-705, MCA, is amended to read:

"20-7-705. Adult education fund. (1) A separate adult education fund must be established when an adult education program is operated by a district or community college district. The financial administration of the fund must comply with the budgeting, financing, and expenditure provisions of the laws governing the schools.

(2) Whenever the trustees of a district establish an adult education program under the provisions of 20-7-702, they shall establish an adult education fund under the provisions of this section. The adult education fund is the depository for all district money received by the district in support of the adult education program. Federal and state adult education program money must be deposited in the miscellaneous programs fund.

(3) The trustees of a district may authorize the levy of a tax of not more than 1 mill on the district, except that trustees of a county high school district that is not unified with an elementary district ~~or of~~ *may authorize a levy of not more than 2 mills on the district and* a K-12 school district formed under the provisions of 20-6-701 may authorize a levy of not more than ~~2~~ *3* mills on the district, for the operation of an adult education program when the superintendent of public instruction has approved the educational program to be supported by the levy. The trustees shall obtain the approval of the superintendent of public instruction before the fourth Monday of June in order to include the expenditures to be financed by the levy in the preliminary budget. The superintendent of public instruction shall promulgate rules and forms for the approval.

(4) Whenever the trustees of a district decide to offer an adult education program during the ensuing school fiscal year, they shall budget for the cost of the program in the adult education fund of the preliminary budget. Any expenditures in support of the adult education program under the final adult education budget must be made in accordance with the financial administration provisions of this title for a budgeted fund.

(5) When a tax levy for an adult education program that has been approved by the superintendent of public instruction is included as a revenue item on the final adult education budget, the county superintendent shall report the levy requirement to the county commissioners on the fourth Monday of August and a levy on the district must be made by the county commissioners in accordance with 20-9-142."

Section 2. **Effective date.** [This act] is effective on passage and approval.

Approved January 3, 1994.

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CHAPTER NO. 35

[SB 1]

AN ACT ALLOWING SCHOOL DISTRICTS TO USE ANTICIPATED AMOUNTS RATHER THAN ACTUAL AMOUNTS TO DETERMINE REVENUE AVAILABLE FOR REDUCTION OF PROPERTY TAXES IN SUPPORT OF DISTRICT GENERAL FUND BUDGETS; AMENDING SECTIONS 20-9-104 AND 20-9-141, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 20-9-104, MCA, is amended to read:

"**20-9-104. General fund operating reserve.** (1) At the end of each school fiscal year, the trustees of each district shall designate the portion of the general fund end-of-the-year fund balance that is to be earmarked as operating reserve for the purpose of paying general fund warrants issued by the district from July 1 to November 30 of the ensuing school fiscal year. Except as provided in subsections (5) and (6), the amount of the general fund balance that is earmarked as operating reserve may not exceed 10% of the final general fund budget for the ensuing school fiscal year.

(2) The amount held as operating reserve may not be used for property tax reduction in the manner permitted by 20-9-141(1)(b) for other receipts.

(3) Excess reserves as provided in subsection (5) may be appropriated to reduce the BASE budget levy, the over-BASE budget levy, or the additional levy provided by 20-9-353, except that districts with a balance on June 30, 1993, in the excess reserve account for Public Law 81-874 funds shall transfer the June 30, 1993, balance to the impact aid fund established in 20-9-514.

(4) Any portion of the general fund end-of-the-year fund balance that is not reserved under subsection (2) or reappropriated under subsection (3) is fund balance reappropriated and must be used for property tax reduction as provided in 20-9-141(1)(b)~~(iii)~~.

(5) For fiscal year 1994 and subsequent fiscal years, the limitation of subsection (1) does not apply when the amount in excess of the limitation is equal to or less than one or more of the following:

(a) the unused balance of any amount received:

(i) in settlement of tax payments protested in a prior school fiscal year;

(ii) in taxes from a prior school fiscal year as a result of a tax audit by the department of revenue or its agents; and

(iii) in delinquent taxes from a prior school fiscal year; or

(b) any amount received as a general bonus payment under 20-6-401.

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(6) The limitation of subsection (1) does not apply when the amount earmarked as operating reserve is $10,000 or less."

Section 2. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the sum of direct state aid and the special education allowable cost payment for the district by totaling:

(i) the district's nonisolated school BASE budget requirement to be met by a district levy as provided in 20-9-303; and

(ii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the maximum general fund budget.

(b) Determine the money available for the reduction of the property tax on the district for the general fund by totaling:

(i) general fund balance reappropriated, as established under the provisions of 20-9-104; ~~and~~

(ii) amounts received in the last fiscal year for which revenue reporting was required for each of the following ~~sources~~:

(A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;

(B) revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

(C) net proceeds taxes for new production, as defined in 15-23-601;

~~(D) revenue from local government severance taxes as provided in 15-36-112;~~

~~(E) revenue from coal gross proceeds under 15-23-703;~~

~~(F)~~*(D)* interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4);

~~(G)~~*(E)* revenue from corporation license taxes collected from financial institutions under the provisions of 15-31-702; and

~~(H)~~*(F)* any other revenue received during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid; *and*

(iii) (A) pursuant to subsection (4), anticipated revenue from local government severance taxes as provided in 15-36-112; and

(B) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.

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(c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the property tax required to finance the general fund that has been determined in subsection (1)(b) from any general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to determine the general fund BASE budget levy requirement.

(d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303, and any additional financing as provided in 20-9-353 to determine any additional general fund levy requirements.

(2) The county superintendent shall calculate the number of mills to be levied on the taxable property in the district to finance the general fund levy requirement for any amount that does not exceed the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:

(a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

(3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the general fund net levy requirement for the district, and a levy must be set by the county commissioners in accordance with 20-9-142.

(4) For each school district, the department of revenue shall calculate and report to the county superintendent the amount of revenue anticipated for the ensuing fiscal year from local government severance taxes, as provided in 15-36-112, and from revenue from coal gross proceeds under 15-23-703."

Section 3. **Effective date — applicability.** [This act] is effective July 1, 1994, and applies to school district general fund budgets for the school fiscal year beginning July 1, 1994.

Approved January 3, 1994.

CHAPTER NO. 36

[SB 46]

AN ACT ELIMINATING THE VOLUNTARY CONSOLIDATION AND ANNEXATION INCENTIVE PLAN FOR SCHOOL DISTRICTS; ELIMINATING STATE FINANCIAL ASSISTANCE THROUGH GENERAL BONUS PAYMENTS AND TRANSPORTATION BONUS PAYMENTS TO SCHOOL DISTRICTS THAT CONSOLIDATE OR ANNEX; AMENDING SECTIONS 17-7-502, 20-6-703, AND 20-9-104, MCA; REPEALING SECTIONS 20-6-401, 20-6-402, 20-6-403, 20-6-404, 20-6-405, 20-6-406, 20-6-407, AND 20-6-408, MCA; AND PROVIDING AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

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Section 1. **Repealer.** Sections 20-6-401, 20-6-402, 20-6-403, 20-6-404, 20-6-405, 20-6-406, 20-6-407, and 20-6-408, MCA, are repealed.

Section 2. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations — definition — requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 16-1-404; 16-1-410; 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-101; 17-6-201; 17-6-409; 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513; 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; ~~20-6-406;~~ 20-8-111; 20-9-361; 20-26-1403; 20-26-1503; 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504; 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416; 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-2-707; 90-3-301; 90-4-215; 90-6-331; 90-7-220; 90-9-306; and 90-14-107.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. *(In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates July 1, 1995.)"*

Section 3. Section 20-6-703, MCA, is amended to read:

"20-6-703. Transitions after formation of K-12 school district. (1) When an attachment order for a K-12 school district becomes effective on July 1 under the provisions of 20-6-701:

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(a) the board of county commissioners shall execute all necessary and appropriate deeds, bills of sale, or other instruments for the conveyance of title to all real and personal property of the elementary district to the high school district;

(b) the trustees of the elementary district shall entrust the minutes of the board of trustees, the elementary district documents, and other records to the high school district to which it is attached; and

(c) the county treasurer shall transfer all end-of-the-year warrants and fund balances of the attached elementary district to the similar funds established for the K-12 school district in the high school district.

(2) All taxes levied by and revenue due from a previous school fiscal year to an elementary district attached to a high school district must be payable to the appropriate fund of the high school district.

(3) The previous year's general fund budget amounts for the elementary district and the high school district that form a K-12 school district must be combined to determine the budget limitation for the ensuing school fiscal year pursuant to 20-9-308.

~~(4) An elementary district and a high school district that form a K-12 school district under the provisions of 2[3-701 may not be considered an enlarged district for the purpose of bonus payments under 20-6-401 through 20-6-408.~~"

Section 4. Section 20-9-104, MCA, is amended to read:

"**20-9-104. General fund operating reserve.** (1) At the end of each school fiscal year, the trustees of each district shall designate the portion of the general fund end-of-the-year fund balance that is to be earmarked as operating reserve for the purpose of paying general fund warrants issued by the district from July 1 to November 30 of the ensuing school fiscal year. Except as provided in subsections (5) and (6), the amount of the general fund balance that is earmarked as operating reserve may not exceed 10% of the final general fund budget for the ensuing school fiscal year.

(2) The amount held as operating reserve may not be used for property tax reduction in the manner permitted by 20-9-141(1)(b) for other receipts.

(3) Excess reserves as provided in subsection (5) may be appropriated to reduce the BASE budget levy, the over-BASE budget levy, or the additional levy provided by 20-9-353, except that districts with a balance on June 30, 1993, in the excess reserve account for Public Law 81-874 funds shall transfer the June 30, 1993, balance to the impact aid fund established in 20-9-514.

(4) Any portion of the general fund end-of-the-year fund balance that is not reserved under subsection (2) or reappropriated under subsection (3) is fund balance reappropriated and must be used for property tax reduction as provided in 20-9-141(1)(b)(iii).

(5) For fiscal year 1994 and subsequent fiscal years, the limitation of subsection (1) does not apply when the amount in excess of the limitation is equal to or less than ~~one or more of the following:~~

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~~(a)~~ the unused balance of any amount received:

~~(i)~~*(a)* in settlement of tax payments protested in a prior school fiscal year;

~~(ii)~~*(b)* in taxes from a prior school fiscal year as a result of a tax audit by the department of revenue or its agents; and

~~(iii)~~*(c)* in delinquent taxes from a prior school fiscal year~~; or~~

~~(b) any amount received as a general bonus payment under 20-6-401.~~

(6) The limitation of subsection (1) does not apply when the amount earmarked as operating reserve is $10,000 or less."

Section 5. **Saving clause.** [This act] does not affect the rights and duties that matured before [the effective date of this act] and does not affect the right to payment of any school district that qualified for bonus payments under the provisions of 20-6-401 through 20-6-408 before [the effective date of this act].

Section 6. **Effective date.** [This act] is effective July 1, 1994.

Approved January 3, 1994.

CHAPTER NO. 37

[HB 21]

AN ACT CLARIFYING THE DUTIES OF THE DEPARTMENT OF ADMINISTRATION TO ANNUALLY PREPARE A STATE INDIRECT COST RECOVERY PLAN FOR CERTAIN STATE AGENCIES; REQUIRING THAT STATE AGENCIES PAY THE INDIRECT COSTS IN A TIMELY MANNER; ELIMINATING THE REQUIREMENT THAT THE BOARD OF INVESTMENTS DEDUCT FROM INVESTMENT EARNINGS CERTAIN PROGRAM COSTS INCURRED BY AN AGENCY; AMENDING SECTIONS 17-3-111 AND 17-6-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 17-3-111, MCA, is amended to read:

"**17-3-111. Indirect cost rates — *allocation.*** *(1)* Grantee agencies shall, in accordance with federal regulations and guidelines, negotiate indirect cost rates and endeavor, to the fullest extent possible, to recover indirect costs of federal assistance programs.

(2) Indirect costs recovered from federal sources pursuant to the statewide cost allocation plan provided in 17-3-110, except those costs recovered by a unit of the university system, must be deposited in the general fund."

Section 2. Section 17-6-201, MCA, is amended to read:

"**17-6-201. Unified investment program — general provisions.** (1) The unified investment program directed by Article VIII, section 13, of the 1972 Montana constitution to be provided for public funds must be administered by the board of investments in accordance with the prudent expert principle, which requires any investment manager to:

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(a) discharge the duties with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity with the same resources and familiar with like matters exercises in the conduct of an enterprise of a like character with like aims;

(b) diversify the holdings of each fund within the unified investment program to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so; and

(c) discharge the duties solely in the interest of and for the benefit of the funds forming the unified investment program.

(2) (a) Retirement funds may be invested in common stocks of any corporation, ~~provided~~ *except* that an investment may not be made at any time that would cause the book value of the investments in any retirement fund to exceed 50% of the book value of the fund or would cause the stock of one corporation to exceed 2% of the book value of the retirement fund.

(b) Other public funds may not be invested in private corporate capital stock. "Private corporate capital stock" means only the common stock of a corporation.

(3) (a) This section does not prevent investment in any business activity in Montana, including activities that continue existing jobs or create new jobs in Montana.

(b) The board is urged under the prudent expert principle to invest up to 3% of retirement funds in venture capital companies. Whenever possible, preference should be given to investments in those venture capital companies that demonstrate an interest in making investments in Montana.

(c) In discharging its duties, the board shall consider the preservation of purchasing power of capital during periods of high monetary inflation.

(d) The board may not make a direct loan to an individual borrower. The purchase of a loan or a portion of a loan originated by a financial institution is not considered a direct loan.

(4) The board has the primary authority to invest state funds. Except as provided in this chapter, another agency may not invest state funds, unless otherwise provided by law. The board shall direct the investment of state funds in accordance with the laws and constitution of this state. The board has the power to veto any investments made under its general supervision.

(5) The board shall:

(a) assist agencies with public money to determine if, when, and how much surplus cash is available for investment;

(b) determine the amount of surplus treasury cash to be invested;

(c) determine the type of investment to be made;

(d) prepare the claim to pay for the investment; and

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(e) keep an account of the total of each investment fund and of all the investments belonging to the fund and a record of the participation of each treasury fund account in each investment fund.

(6) The board may:

(a) execute deeds of conveyance transferring all real property obtained through foreclosure of any investments purchased under the provisions of 17-6-211 when full payment has been received for the property;

(b) direct the withdrawal of any funds deposited by or for the state treasurer pursuant to 17-6-101 and 17-6-105;

(c) direct the sale of any securities in the program at their full and true value when found necessary to raise money for payments due from the treasury funds for which the securities have been purchased;

(d) expend funds needed to cover costs of necessary repairs to property owned by the board as an investment. The expenditures may be made directly by the board and are statutorily appropriated, as provided in 17-7-502. Repairs that cost in excess of $2,500 must be bid, and the bid must be awarded in compliance with existing state law and regulations. Emergency repairs may be made by the board without bid if approved by the state architect.

(7) The cost of administering and accounting for each investment fund must be deducted from the income from each fund.

(8) At the beginning of each fiscal year, the board shall, from the appropriate fund, reimburse the department of commerce for the costs of administering programs established under Title 90, chapter 3, that are not covered by payback funds available from the account established in 90-3-305.

~~(9) (a) The director of the department of administration annually may prepare a statewide cost allocation plan to distribute program costs incurred by state agencies that are funded through the general fund to the programs served by the agencies. Except as provided in subsection (9)(b), the cost to an agency of providing services to a program funded through an account in the state special revenue fund, as defined in 17-2-102, must be deducted by the board from the account's investment earnings according to the statewide cost allocation plan. Amounts deducted by the board must be credited to the general fund.~~

~~(b) A deduction for program costs, as provided in subsection (9)(a), may not be made if an account's cash on hand is pooled for investment in the treasury cash account defined in 17-6-202.~~"

Section 3. **State indirect cost recovery plan.** (1) The department shall annually prepare a state indirect cost recovery plan. The state indirect cost recovery plan must provide that the general government program costs that are indirectly incurred by agencies and that are funded by the general fund be allocated among the agencies served by those programs.

(2) Agencies required to pay costs under the state indirect cost recovery plan shall make payments in four equal installments, due no later than October 1, January 1, March 1, and June 1 of each fiscal year, by depositing the payments into the general fund.

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Section 4. **Codification instruction.** [Section 3] is intended to be codified as an integral part of Title 17, chapter 1, and the provisions of Title 17, chapter 1, apply to [section 3].

Section 5. **Effective date.** [This act] is effective on passage and approval.

Approved January 5, 1994.

CHAPTER NO. 38

[HB 22]

AN ACT REDUCING THE BASIC ENTITLEMENT AND THE PER-ANB ENTITLEMENT FOR SCHOOL DISTRICT FUNDING BY 4.5 PERCENT; REQUIRING VOTER APPROVAL FOR THE BASE BUDGET PORTION OF A SCHOOL DISTRICT GENERAL FUND THAT EXCEEDS THE MANDATORY GROWTH LEVELS; REQUIRING VOTER APPROVAL FOR THE OVER-BASE BUDGET OF A SCHOOL DISTRICT IF THE BUDGET EXCEEDS THE PREVIOUS YEAR'S GENERAL FUND BUDGET OR THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB; LIMITING THE OVER-BASE BUDGET OF A DISTRICT TO 104 PERCENT OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET OR 104 PERCENT OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB; REQUIRING THE TRUSTEES OF A SCHOOL DISTRICT TO DEDUCT 4.5 PERCENT FROM THE GENERAL FUND BUDGET FOR THE SCHOOL FISCAL YEAR ENDING JUNE 30, 1994, FOR THE PURPOSES OF BUDGETING FOR THE SCHOOL FISCAL YEAR ENDING JUNE 30, 1995, IF THE DEDUCTION WILL NOT CAUSE A SCHOOL DISTRICT BUDGET TO FALL BELOW THE BASE BUDGET; AMENDING SECTIONS 20-9-306 AND 20-9-308, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

WHEREAS, it is the intent of the Legislature to acknowledge and to support the constitutional role of the boards of trustees to supervise and control the public school districts of the state. However, it is also the intent of the Legislature to request that each board of trustees of a school district carefully review the district's expenditures for school administration, extracurricular activities, extracurricular athletics, and special education. The Legislature further requests that, as a result of this investigation, the boards of trustees consider and pursue the possibilities of consolidating school districts.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 20-9-306, MCA, is amended to read:

"**20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.

(2) "BASE aid" means:

(a) direct state aid for 40% of the basic entitlement and 40% of the total per-ANB entitlement for the general fund budget of a district; and

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(b) guaranteed tax base aid for an eligible district for any amount up to 40% of the basic entitlement, up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district, and up to 40% of the special education allowable cost payment.

(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education allowable cost payment.

(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.

(5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(6) "Basic entitlement" means:

(a) ~~$200,000~~ *$191,000* for each high school district; ~~and~~

(b) ~~$18,000~~ *$17,190* for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and

(c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows:

(i) ~~$18,000~~ *$17,190* times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus

(ii) ~~$200,000~~ *$191,000* times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.

(7) "Direct state aid" means 40% of the basic entitlement and 40% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.

(8) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of special education allowable cost payments.

(9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.

(10) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations:

(a) for a high school district or a K-12 district high school program, a maximum rate of ~~$4,000~~ *$4,680* for the first ANB is decreased at the rate of 50

cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of ~~$3,500~~ *$3,343* for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:

(i) a maximum rate of ~~$3,500~~ *$3,343* for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of ~~$4,900~~ *$4,680* for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB."

Section 2. Section 20-9-308, MCA, is amended to read:

"20-9-308. BASE budgets and maximum general fund budgets. (1) ~~For the school fiscal year beginning on July 1, 1993, the~~ *The* trustees of a district shall adopt a general fund budget that:

(a) except as provided in subsection (2), is at least equal to the BASE budget established for the district; or

(b) except as provided in *[section 3] and* subsection (4) *of this section*, does not exceed the maximum general fund budget established for the district.

(2) (a) If the BASE budget for a district for the school fiscal year ~~beginning on July 1, 1993,~~ is greater than the general fund budget of the district for the prior school fiscal year, the trustees of the district:

(i) shall increase the general fund budget by at least:

~~(i) may increase the general fund budget for the district by 4% of the previous year's general fund budget or by 4% of the previous year's general fund budget per ANB multiplied by the current year's ANB for budgeting purposes; but~~

~~(ii) may not adopt a general fund budget that reflects less than the following general fund budget growth amounts for the appropriate school fiscal year:~~

~~(A) 20% of the range between the district general fund budget for the school fiscal year ending June 30, 1993, and the BASE budget for the district for the school fiscal year beginning July 1, 1993;~~

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~~(B)~~*(A)* 25% of the range between the district general fund budget for the school fiscal year ending June 30, 1994, and the BASE budget for the district for the school fiscal year beginning July 1, 1994;

~~(C)~~*(B)* 33.3% of the range between the district general fund budget for the school fiscal year ending June 30, 1995, and the BASE budget for the district for the school fiscal year beginning July 1, 1995;

~~(D)~~*(C)* 50% of the range between the district general fund budget for the school fiscal year ending June 30, 1996, and the BASE budget for the district for the school fiscal year beginning July 1, 1996; or

~~(E)~~*(D)* the remainder of the range between the district general fund budget for the school fiscal year ending June 30, 1997, and the BASE budget for the district for the school fiscal year beginning July 1, 1997.~~;~~

(ii) may increase the general fund budget beyond the amount in subsection (2)(a)(i) but not by more than 4% of the previous year's general fund budget or by more than 4% of the previous year's general fund per-ANB multiplied by the current year's ANB for budgeting purposes pursuant to subsection (2)(b).

(b) The trustees shall submit a proposition on any amount exceeding the limitations in subsection (2)(a)(i) to the electors of the district, as provided in 20-9-353.

~~(b) (i) For the school fiscal year beginning July 1, 1993, a district may not exceed the limitations in subsection (2)(a).~~

~~(ii) Except for the school fiscal year beginning July 1, 1993, whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) but does not exceed the BASE budget for the district, the trustees shall submit a proposition on the amount that exceeds the limitation to the electors of the district, as provided in 20-9-353.~~

~~(c) Nothing in this section is intended to require a district to budget in excess of its BASE budget.~~

~~(3) Whenever~~ the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district but does not exceed the maximum general fund budget for the district, the trustees shall:

~~(a) adopt a resolution stating the reasons and purposes for exceeding the BASE budget amount if the general fund budget adopted under this subsection (3) does not exceed the greater of:~~

~~(i) 104% of the previous year's general fund budget; or~~

~~(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes; or~~

~~(b) except for the school fiscal year beginning July 1, 1993, submit a proposition on any amount of the over-BASE budget that exceeds one of the limitations in subsection (3)(a) to the electors of the district, as provided in 20-9-353.~~

~~(c) For the school fiscal year beginning July 1, 1993, a district may not exceed the limitations in subsection (3)(a).~~

(3) (a) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district but does not exceed the maximum general fund budget for the district, the trustees shall submit a proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes.

(b) A general fund budget adopted under this subsection (3) may not exceed the greater of:

(i) 104% of the previous year's general fund budget as adjusted by the provisions of [section 3]; or

(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes as adjusted by the provisions of [section 3].

(4) (a) If the maximum general fund budget for a district for an ensuing school fiscal year is less than the general fund budget for the district for the current school fiscal year, *as adjusted by the provisions of [section 3],* the trustees of the district may not adopt a general fund budget for the ensuing school fiscal year that is greater than the district's general fund budget for the current school fiscal year.

(b) Except for the school fiscal ~~years~~ *year* beginning ~~July 1, 1993, and~~ July 1, 1994, the trustees of the district shall submit a proposition to raise any general fund budget amount that is in excess of the maximum general fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition, as provided in 20-9-353.

(5) Whenever the trustees of a district adopt a general fund budget that does not exceed the BASE budget for the district, the trustees shall finance this amount with the following sources of revenue:

(a) state equalization aid as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

(c) a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

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(6) The over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district as provided in 20-9-141.

[(7) For the purpose of this section, the general fund budget or general fund per-ANB budget for the school fiscal year ending June 30, 1993, is the general fund budget funded by any state, local, and federal revenue, excluding Public Law 81-874 receipts received in the school fiscal year ending June 30, 1993. Before excluding any Public Law 81-874 funding, a district may increase the district general fund budget for the school fiscal year ending June 30, 1993, by the allowable increases in subsections (2) and (3).]"

Section 3. **Budget reduction — exceptions.** (1) Except as provided in subsection (2), for calculating and adopting a general fund budget for the school fiscal year ending June 30, 1995, as provided in 20-9-306 and 20-9-308 for that school year, the trustees of a district shall deduct 4.5% from the general fund budget for the school fiscal year ending June 30, 1994.

(2) The deduction required under subsection (1):

(a) does not apply to a school district with a general fund budget that is below the BASE budget for the school fiscal year ending June 30, 1994; and

(b) may not cause a general fund budget of a school district to fall below the BASE budget for the school fiscal year ending June 30, 1994.

Section 4. **Effective date — applicability.** [This act] is effective on passage and approval and applies to budgets for the school year beginning July 1, 1994.

Approved January 4, 1994.

CHAPTER NO. 39

[HB 89]

AN ACT ALLOCATING TO THE STATE GENERAL FUND CERTAIN REVENUE PREVIOUSLY DEPOSITED IN THE TRAFFIC EDUCATION ACCOUNT; REDUCING STATE TRAFFIC EDUCATION REIMBURSEMENTS TO SCHOOL DISTRICTS; REVISING DUTIES OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION RELATING TO TRAFFIC EDUCATION; AMENDING SECTIONS 3-10-601, 20-7-504, 20-7-506, 20-7-507, AND 61-5-121, MCA; AND PROVIDING AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 3-10-601, MCA, is amended to read:

"**3-10-601. Collection and disposition of fines, penalties, forfeitures, and fees.** (1) Each justice of the peace shall collect the fees prescribed by law for justices' courts and shall pay them into the county treasury of the county ~~wherein he~~ *in which the justice of the peace* holds office, on or before the 10th day of each month, to be credited to the general fund of the county.

(2) All fines, penalties, and forfeitures that this code requires to be imposed, collected, or paid in a justice's court must, for each calendar month, be paid by

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the justice's court on or before the 5th day of the following month to the treasurer of the county in which the justice's court is situated, except that they may be distributed as provided in 44-12-206 if imposed, collected, or paid for a violation of Title 45, chapter 9 or 10.

(3) The county treasurer shall, in the manner provided in 15-1-504, distribute money received under subsection (2) as follows:

(a) 50% to the state treasurer; and

(b) 50% to the county general fund.

(4) The state treasurer shall distribute money received under subsection (3) as follows:

(a) ~~27.88%~~ *44.81%* to the state general fund;

(b) 9.09% to the fish and game account in the state special revenue fund;

(c) 11.76% to the state highway account in the state special revenue fund;

(d) ~~33.86%~~ *16.93%* to the traffic education account in the state special revenue fund;

(e) 0.57% to the department of livestock account in the state special revenue fund;

(f) 15.9% to the crime victims compensation account in the state special revenue fund; and

(g) 0.94% to the department of family services special revenue account for the battered spouses and domestic violence grant program."

Section 2. Section 61-5-121, MCA, is amended to read:

"61-5-121. Disposition of fees. (1) The disposition of the fees from driver's licenses provided for in 61-5-111(7)(a), motorcycle endorsements provided for in 61-5-111(7)(b), commercial driver's licenses provided for in 61-5-111(7)(c), and duplicate driver's licenses provided for in 61-5-114 is as follows:

(a) The amount of 25% of each driver's license fee and of each duplicate driver's license fee must be deposited into an account in the state special revenue fund. The department shall transfer the funds from this account to the Montana highway patrol officers' retirement pension trust fund as provided in 19-6-404.

(b) (i) If the fees are collected by a county treasurer or other agent of the department, the amount of 3.75% of each driver's license fee and of each duplicate driver's license fee must be deposited into the county general fund.

(ii) If the fees are collected by the department, the amount provided for in subsection (1)(b)(i) must be deposited into the general fund.

(c) (i) If the fee is collected by a county treasurer or other agent of the department, the amount of 5% of each motorcycle endorsement must be deposited into the county general fund.

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(ii) If the fee is collected by the department, the amount provided for in subsection (1)(c)(i) must be deposited into the general fund.

(d) The amount of *8.75%* ~~17.5%~~ of each driver's license fee and of each duplicate driver's license fee must be deposited into the state traffic education account.

(e) In addition to the amounts deposited pursuant to subsections (1)(b)(ii) and (1)(c)(ii), the amount of ~~53.75%~~ *62.5%* of each driver's license fee and of each duplicate driver's license fee must be deposited into the state general fund.

(f) If the fee is collected by the county treasurer or other agent of the department, the amount of 3.75% of each commercial driver's license fee must be deposited into the county general fund, otherwise all of the fee must be deposited in the state general fund.

(g) The amount of 95% of each motorcycle endorsement fee must be deposited into the state traffic education account in the state special revenue fund.

(2) (a) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and duplicate driver's licenses are collected by a county treasurer or other agent of the department, the county treasurer or agent shall deposit the amounts provided for in subsections (1)(b)(i) and (1)(c)(i) into the county general fund. The county treasurer or agent shall then remit to the state treasurer all remaining fees, together with a statement indicating what portion of each fee is to be deposited into the account in the state special revenue fund as provided in subsection (1)(a)~~, the state traffic education account,~~ and the state general fund. The state treasurer, upon receipt of the fees and statement, shall deposit the fees as provided in subsections (1)(a) and (1)(d) through (1)(g).

(b) If fees from driver's licenses, commercial driver's licenses, motorcycle endorsements, and duplicate driver's licenses are collected by the department, it shall remit all fees to the state treasurer, together with a statement indicating what portion of each fee is to be deposited into the account in the state special revenue fund as provided in subsection (1)(a), the state special revenue fund, ~~the state traffic education account,~~ and the state general fund. The state treasurer, upon receipt of the fees and statement, shall deposit the fees as provided in subsections (1)(a), (1)(b)(ii), (1)(c)(ii), and (1)(d) through (1)(g)."

Section 3. Section 20-7-504, MCA, is amended to read:

"20-7-504. State traffic education account — proceeds earmarked for the account. (1) There is a traffic education account in the treasury of the state of Montana. ~~There must be paid into this account a portion of the fines and forfeitures collected in any court except a justice's court from persons apprehended or arrested by highway patrol officers or department of transportation peace officers for any violation of chapter 3, part 1 of chapter 4, or chapters 5 through 10 of Title 61 relating to the operation or use of motor vehicles in the following amounts:~~

~~(a) if a fine is imposed, 25% of the fine imposed;~~

~~(b) if multiple offenses are involved, 25% of the total sum of all fines imposed;~~

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~~(c) if a fine is suspended, in whole or in part, 25% of the fine actually paid; and~~

~~(d) if any deposit of bail is made for an offense to which this section applies and the bail is forfeited, 25% of the forfeited bail.~~

~~(2) A portion of all money from the collection of fees from driver's licenses, motorcycle endorsements, and duplicate driver's licenses must be contributed to the traffic education account as provided in 61-5-121.~~

~~(3)~~*(2) Money paid into the account pursuant to 3-10-601 must be distributed to approved traffic education courses as provided in 20-7-506.*

(3) Money collected and accrued from motorcycle safety training courses, designated grants, and motorcycle registration fees or an amount equal to that amount must be deposited in the state traffic education account as provided in 20-7-513 and 20-7-514 and must be available to support only approved motorcycle safety training courses, appropriate motorcycle safety instructor training, and other related motorcycle safety training activities."

Section 4. Section 20-7-506, MCA, is amended to read:

"20-7-506. Annual allocation and distribution of traffic education account proceeds ~~—allocation for state administration~~. ~~(1)~~ The superintendent of public instruction shall annually order the distribution of all moneys in the traffic education account to the districts conducting approved traffic education courses. The distribution of the traffic education moneys ~~shall~~ *must* be based on the distribution policy promulgated by the superintendent of public instruction, provided that the reimbursements to districts ~~shall~~ *must* be based upon the number of pupils who, in a given school fiscal year, complete an approved traffic education course, including both the classroom instruction and behind-the-wheel driving.

~~(2) Before such fund is disbursed, there shall be deducted an amount necessary to provide for the state administration of the traffic education program by the superintendent of public instruction. Such state administration may include:~~

~~(a) development, printing, and distribution of essential materials;~~

~~(b) preparation of teachers of traffic education;~~

~~(c) state supervision of the program; and~~

~~(d) any and all other activities deemed necessary by the superintendent of public instruction.~~"

Section 5. Section 20-7-507, MCA, is amended to read:

"20-7-507. District traffic education fund. The trustees of any district maintaining a traffic education course shall establish a special nonbudgeted fund with the county treasurer for traffic education. ~~The state traffic education reimbursement and all~~ *All* nontax receipts for traffic education ~~shall~~ *must* be deposited in the district's traffic education fund. The expenditure of the ~~moneys~~ *money* deposited in the district's traffic education fund ~~shall~~ *is* not ~~be~~ subject to

the budgeting provisions of this title, and the ~~moneys~~ *money* may be expended for traffic education."

Section 6. **Effective date.** [This act] is effective July 1, 1994.

Approved January 4, 1994.

CHAPTER NO. 40

[SB 43]

AN ACT REVISING THE ALLOCATION OF THE DISTRIBUTOR'S GASOLINE LICENSE TAX; REDUCING THE ALLOCATION TO THE SNOWMOBILE ACCOUNT FROM 1/2 OF 1 PERCENT TO 23/64 OF 1 PERCENT; AMENDING SECTION 60-3-201, MCA; AND PROVIDING AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 60-3-201, MCA, is amended to read:

"**60-3-201. Distribution and use of proceeds of gasoline dealers' license tax.** (1) All money received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those amounts paid out of the department of transportation's suspense account for gasoline tax refund, must be used and expended as provided in this section. The portion of that money on hand at any time that is needed to pay highway bonds and interest on highway bonds when due and to accumulate and maintain a reserve for payment of highway bonds and interest, as provided in laws and in resolutions of the state board of examiners authorizing the bonds, must be deposited in the highway bond account in the debt service fund established by 17-2-102. Subject to that provision:

(a) 9/10 of 1% of all money must be deposited in the state park account;

(b) ~~1/2~~ *23/64* of 1% of all money must be deposited in a snowmobile account in the state special revenue fund;

(c) 1/8 of 1% of all money must be deposited in an off-highway vehicle account in the state special revenue fund; and

(d) 1/25 of 1% of all money must be deposited in the aeronautics revenue fund of the department of transportation under the provisions of 67-1-301.

(e) The remainder of the money must be used:

(i) by the department of transportation on the highways in this state selected and designated by the commission;

(ii) for collection of the license taxes; and

(iii) for the enforcement of the Montana highway code under Article VIII, section 6, of the constitution of this state.

(2) The department shall, in expending this money, carry forward construction from year to year, using the money expended in accordance with this title.

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Nothing in this title conflicts with Title 23, U.S.C., and the rules by which it is administered.

(3) The department may enter into cooperative agreements with the national park service and the federal highway administration for the purpose of maintaining national park approach roads in Montana.

(4) Money credited to the state park account in the state special revenue fund may be used only for the creation, improvement, and maintenance of state parks where motorboating is allowed, except for the payment of refunds under 15-70-221 through 15-70-226. The legislature finds that of all the fuel sold in the state for consumption in internal combustion engines, not less than 9/10 of 1% is used for propelling boats on waterways of this state.

(5) Money credited to the snowmobile account may be used only to develop and maintain facilities open to the general public at no admission cost and to promote snowmobile safety, and 10% of the amount deposited in the snowmobile account must be used to promote snowmobile safety. The legislature finds that of all fuels sold in this state for consumption in internal combustion engines, not less than ~~1/2~~ *23/64* of 1% is used for propelling snowmobiles on public lands of this state.

(6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only to develop and maintain facilities open to the general public at no admission cost, to repair areas that are damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are damaged by off-highway vehicles.

(b) The legislature finds that of all fuel sold in this state for consumption in internal combustion engines, not less than 1/8 of 1% is used for propelling off-highway vehicles in this state.

(7) Money credited to the aeronautics account of the department of transportation may be used only to develop, improve, and maintain facilities open to the public at no admission cost and to promote aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal combustion engines, not less than 1/25 of 1% is used for propelling aircraft in this state."

Section 2. **Effective date.** [This act] is effective July 1, 1994.

Approved January 10, 1994.

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RESOLUTIONS

Passed by the

FIFTY-THIRD LEGISLATURE
IN SPECIAL SESSION

Held at Helena, the Seat of Government
November 29, 1993, through December 18, 1993

COMPILED BY MONTANA LEGISLATIVE COUNCIL

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SENATE JOINT RESOLUTIONS

SENATE JOINT RESOLUTION NO. 2

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA DIRECTING THE JOINT OVERSIGHT COMMITTEE ON CHILDREN AND FAMILIES TO EXAMINE INEFFICIENCIES IN THE PROVISION OF SERVICES TO THE ELDERLY BY STATE GOVERNMENT AGENCIES AND TO MAKE RECOMMENDATIONS TO THE 54TH LEGISLATURE CONCERNING POSSIBLE LEGISLATION TO ADDRESS AND ALLEVIATE SIMILAR FUTURE PROBLEMS.

WHEREAS, the Legislature has placed a high priority on the state support of and preservation of the family, including children and the elderly; and

WHEREAS, the Joint Oversight Committee on Children and Families has been charged with the duty to examine public programs and services for children and families for the purpose of identifying inefficiencies and unmet needs within those programs; and

WHEREAS, reported inefficiencies in the handling of adult protective services have generally called into question the humane treatment of Montana's elderly and the adequacy and appropriateness of government services provided to the elderly; and

WHEREAS, it is within the scope of duties assigned to the Joint Oversight Committee on Children and Families to examine these kinds of inefficiencies and make recommendations to future Legislatures.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Joint Oversight Committee on Children and Families examine any inefficiencies in the handling of adult protective services by agencies charged with the provision of those services.

BE IT FURTHER RESOLVED that if inefficiencies are found, the Committee report those findings to the 54th Legislature, with recommendations for legislation necessary to alleviate the problems and prevent future breakdown in the provision of government services to the elderly.

Passed December 18, 1993.

SENATE JOINT RESOLUTION NO. 3

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING THE BOARD OF DIRECTORS OF THE MONTANA STATE COMPENSATION INSURANCE FUND TO MEET WITH REPRESENTATIVES OF THE BUSINESS COMMUNITY, PRIOR TO IMPLEMENTING A SYSTEM OF ADVANCE PREMIUM PAYMENT ON JUNE 1, 1994, IN ORDER TO DEVELOP RECOM-

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MENDATIONS TO CAUSE THE LEAST DISRUPTION TO AND ECONOMIC HARDSHIP ON THOSE BUSINESSES ADVERSELY AFFECTED BY THE NEW PREMIUM SYSTEM.

WHEREAS, on June 1, 1994, the Montana state compensation insurance fund intends to implement a system of advance premium payment; and

WHEREAS, the system of advance premium payment will require businesses to pay past premiums by May 1, 1994, and August 2, 1994, and advance premiums beginning June 1, 1994, thereby creating a financial crisis for some businesses and an adverse effect on those businesses.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That in early January 1994, the Board of Directors of the Montana state compensation insurance fund coordinate a meeting or meetings with representatives of the business community for the purpose of developing and implementing recommendations to help those businesses adversely affected by the system of advance premium payment so as to cause the least disruption to and economic hardship on those businesses.

Passed December 17, 1993.

SENATE JOINT RESOLUTION NO. 4

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA STRONGLY URGING THE UNITED STATES CONGRESS TO REFRAIN FROM IMPOSING NEW STANDARDS AND RESTRICTIONS ON ABOVEGROUND STORAGE TANKS.

WHEREAS, there is proposed legislation in the United States Congress to place additional standards and restrictions, to be implemented by the states, on aboveground storage tanks; and

WHEREAS, the enactment of federal requirements that must be implemented by the states results in an additional burden for financially troubled states; and

WHEREAS, the State of Montana is already in the process of implementing complex requirements for regulation and removal of underground storage tanks; and

WHEREAS, the regulation and removal of underground storage tanks have been costly and frustrating to Montana citizens, necessitating extraordinary financial measures to meet the requirements for storage tanks; and

WHEREAS, additional federal requirements for aboveground storage tanks would impair the state's ability to address the environmental hazards of storage tanks in an economical and efficient manner; and

WHEREAS, the State of Montana already has a comprehensive uniform fire code that regulates the siting and construction of aboveground storage tanks.

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NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

(1) That the United States Congress be strongly urged to refrain from imposing on aboveground storage tanks new standards and restrictions that must be implemented by the states.

(2) That copies of this resolution be sent by the Secretary of State to the President of the United States, the United States Congress, and the Montana Congressional Delegation.

Passed December 18, 1993.

SENATE JOINT RESOLUTION NO. 5

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA HONORING DEB GREENOUGH FOR WINNING THE 1993 WORLD BAREBACK BRONC RIDING CHAMPIONSHIP AND DAN MORTENSEN FOR WINNING THE 1993 WORLD SADDLE BRONC RIDING CHAMPIONSHIP.

WHEREAS, Montana has a long and illustrious cowboy heritage, the most recent embodiment of which are Deb Greenough and Dan Mortensen; and

WHEREAS, the National Finals Rodeo Championships were held in Las Vegas, Nevada, December 3 through December 12, 1993; and

WHEREAS, Deb Greenough from Red Lodge, Montana, won the 1993 Professional Rodeo Cowboys Association's World Bareback Bronc Riding Championship; and

WHEREAS, Dan Mortensen from Manhattan, Montana, won the 1993 Professional Rodeo Cowboys Association's World Saddle Bronc Riding Championship; and

WHEREAS, a Montanan has not won a world rodeo championship since Three Forks bareback star Larry Peabody won the big buckle for the 1984 World Bareback Bronc Riding Championship; and

WHEREAS, Montana has not had two world champions in the same season since Benny Reynolds of Melrose (all-around) and Ronnie Rossen of Broadus (bull riding) won titles in 1961; and

WHEREAS, Deb Greenough and Dan Mortensen are true native sons, born, raised, and schooled in Montana; and

WHEREAS, Dan Mortensen was raised in Lockwood and attended Senior High in Billings; and

WHEREAS, Deb Greenough is a native of Fromberg in Carbon County and is a member of one of Montana's most famous rodeo families, which includes other world champions and world-class riders, including Turk Greenough, Bill Greenough, Alice Greenough, and Marge Greenough; and

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WHEREAS, all Montanans are proud of Deb Greenough's and Dan Mortensen's determination and grit in advancing through the ranks of youth rodeos to National Intercollegiate Rodeo Association competition and on to national rankings in the Professional Rodeo Cowboys Association circuits; and

WHEREAS, Deb Greenough and Dan Mortensen have consistently moved up in the Professional Rodeo Cowboys Association's national rankings; and

WHEREAS, Deb Greenough and Dan Mortensen have continuously exhibited the professional and personal qualities that are an example and inspiration to all Montanans; and

WHEREAS, Montanans have been treated to many thrilling moments by Deb Greenough and Dan Mortensen; and

WHEREAS, in winning the 1993 World Bareback Bronc Riding Championship and the 1993 World Saddle Bronc Riding Championship at the Professional Rodeo Cowboys Association championship finals competition on December 12, 1993, Deb Greenough and Dan Mortensen have brought recognition and honor to themselves, to their families, and to Montana.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Montana Legislature honor and congratulate Deb Greenough and Dan Mortensen on their world championships and urge them to continue their efforts as ambassadors of Montana.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent by the Secretary of State to Deb Greenough and Dan Mortensen.

Passed December 18, 1993.

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HOUSE JOINT RESOLUTIONS

HOUSE JOINT RESOLUTION NO. 3

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA DIRECTING THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS AND THE DEPARTMENT OF REVENUE TO INVESTIGATE AND CONDUCT A STUDY OF RESIDENCY COMPLIANCE FOR FISH AND GAME LICENSING PURPOSES AND STATE INCOME TAX PURPOSES; DIRECTING THE DEPARTMENTS TO IMPLEMENT CHANGES WHENEVER POSSIBLE TO REDUCE UNDERREPORTING OF INCOME AND TO REDUCE RESIDENCY FRAUD; AND REQUESTING THE DEPARTMENTS TO REPORT TO THE 54TH LEGISLATURE ON THE RESULTS OF THE STUDY AND ON THE NEED FOR ADDITIONAL LEGISLATION TO ADDRESS THE PROBLEMS OF UNDERREPORTING OF INCOME AND RESIDENCY FRAUD.

WHEREAS, nonresidents who claim resident status for purposes of purchasing Montana fish and game licenses perpetrate a fraud upon the people of Montana by failing to purchase the proper licenses and by failing to pay their share of income taxes if required to do so, resulting in an inequitable treatment of the hunting and fishing public and of Montana taxpayers; and

WHEREAS, residents who benefit from the income generated by illegally licensed hunters and who do not pay Montana taxes on that income, by failing to report land lease income, trespass fee income, outfitter income, game farm income, shooting preserve income, and trophy fees, also perpetrate a fraud upon the people of Montana, resulting in an inequitable tax burden on residents who do pay their fair share of taxes; and

WHEREAS, concentrated interdepartmental coordination of residency compliance efforts between the Department of Fish, Wildlife, and Parks and the Department of Revenue could address these inequities, thus drastically reducing the incentive for residency fraud by enhancing enforcement capabilities of both agencies and potentially generating significant revenue for the state from enforcement of both fish and game laws and income tax laws; and

WHEREAS, a study by the Departments could disclose the extent of the problems of underreporting of income and residency fraud, provide the means to refine and further implement the information-sharing network between the agencies, indicate ways that enforcement could be enhanced under present law, give the agencies the information that they need for requesting additional implementing legislation to address the problems of underreporting of income and residency fraud, and give an indication of potential revenue that could be generated through greater enforcement.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

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That the Department of Fish, Wildlife, and Parks and the Department of Revenue be directed to investigate and conduct a study of underreporting of income and residency compliance for fish and game licensing purposes and state income tax purposes.

BE IT FURTHER RESOLVED, that the Departments analyze residency data and computer bases and, when possible, implement the present information-sharing network to enhance enforcement efforts under current law.

BE IT FURTHER RESOLVED, that the Departments report to the 54th Legislature on or before December 10, 1994, the results of the study with regard to the extent of the problems of underreporting of income and residency fraud, the need for any additional implementing legislation to address those problems, and an indication of potential revenue that could be generated through greater enforcement.

BE IT FURTHER RESOLVED, that the Departments use existing personnel and presently appropriated resources to cover the costs of conducting the study.

Passed December 15, 1993.

HOUSE JOINT RESOLUTION NO. 5

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO STUDY THE FEASIBILITY OF OPERATING A PROGRAM TO PREPARE RECIPIENTS OF PUBLIC ASSISTANCE FOR EMPLOYMENT IN STATE-FUNDED PROGRAMS THAT PROVIDE SERVICES TO PEOPLE WITH DISABILITIES AND TO REPORT ITS FINDINGS TO THE 54TH LEGISLATURE.

WHEREAS, a person with developmental disabilities should be given every opportunity to live in the least restrictive setting possible while receiving appropriate services from personnel who have the training and skills necessary to address each disabled individual's unique needs; and

WHEREAS, there may be individuals in the group of low-income people receiving public assistance benefits who would be capable of employment in programs that provide services to Montanans with developmental disabilities; and

WHEREAS, Michigan has developed a small pilot program of training, support, and supervision that has assisted low-income families and families on public assistance in becoming foster families for a small number of children with developmental disabilities, and that program should be studied for its advantages and disadvantages; and

WHEREAS, there may be current programs within the Department of Social and Rehabilitation Services that would be able to accomplish similar objectives through enabling legislation or funding; and

WHEREAS, there may be cost savings to the state by assisting the transition of individuals from public assistance to employment and independence; and

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WHEREAS, Montana's goal of appropriate care for persons with developmental disabilities and meaningful employment for individuals receiving public assistance may be addressed through a complementary program involving both populations.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Department of Social and Rehabilitation Services conduct a study of the Michigan Living in Family Environments (L.I.F.E.) Program in order to determine if a similar program in Montana would be feasible and in the best interest of people with developmental disabilities and individuals receiving public assistance and if a similar program would be cost-effective for the State of Montana.

BE IT FURTHER RESOLVED, that the study include alternatives to assist current programs in achieving the same goals as those of the L.I.F.E. program, tailored to use the resources available in Montana and to meet the needs of our citizens with developmental disabilities.

BE IT FURTHER RESOLVED, that the Department of Social and Rehabilitation Services study the public assistance recipient population and any other appropriate population that could be suitably trained and supported in meeting the needs of persons with developmental disabilities, while assisting the recipient of public assistance in achieving employment and a greater level of independence and functionality in society through training, support, financial compensation, and medical assistance.

BE IT FURTHER RESOLVED, that the written findings and recommendations; the identification of possible program options; the cost-effectiveness and potential savings, if any; and the draft legislation necessary to implement the recommendations be presented to the 54th Legislature on or before November 15, 1994.

Passed December 15, 1993.

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SENATE RESOLUTIONS

SENATE RESOLUTION NO. 1

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA CONCURRING IN, CONFIRMING, AND CONSENTING TO THE NOMINATION AND APPOINTMENT MADE BY THE CHIEF JUSTICE OF THE MONTANA SUPREME COURT AND SUBMITTED TO THE SENATE OF HONORABLE C. BRUCE LOBLE AS CHIEF WATER JUDGE.

WHEREAS, the Chief Justice of the Montana Supreme Court has made the nomination, below designated, pursuant to an Order of the Court, dated June 22, 1993; and

WHEREAS, the appointment has been submitted to the Senate by the Governor, to wit:

C. Bruce Loble as Chief Water Judge for the State of Montana, for a 4-year term of office commencing July 1, 1993, and ending June 30, 1997.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA:

That the Senate of the November 1993 Special Session of the 53rd Legislature of the State of Montana does hereby concur in, confirm, and consent to the above nomination.

BE IT FURTHER RESOLVED, that the Secretary of the Senate immediately deliver a copy of this resolution, certified by the President and Secretary of the Senate, to the Secretary of State and a copy, certified by the Secretary of the Senate, to the Governor pursuant to section 5-5-303, MCA.

Passed December 10, 1993.

SENATE RESOLUTION NO. 2

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA CONCURRING IN, CONFIRMING, AND CONSENTING TO THE NOMINATION AND APPOINTMENT MADE BY THE GOVERNOR AND SUBMITTED TO THE SENATE OF HONORABLE MICHAEL OLEN MCCARTER AS WORKERS' COMPENSATION JUDGE.

WHEREAS, the Governor of the State of Montana has made the nomination, below designated, of an appointment that has been submitted to the Senate by the Governor, to wit:

Michael Olen McCarter as Workers' Compensation Judge for the State of Montana, for a 6-year term of office commencing September 7, 1993, and ending September 6, 1999.

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NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA:

That the Senate of the November 1993 Special Session of the 53rd Legislature of the State of Montana does hereby concur in, confirm, and consent to the above nomination.

BE IT FURTHER RESOLVED, that the Secretary of the Senate immediately deliver a copy of this resolution, certified by the President and Secretary of the Senate, to the Secretary of State and a copy, certified by the Secretary of the Senate, to the Governor pursuant to section 5-5-303, MCA.

Passed December 10, 1993.

SENATE RESOLUTION NO. 3

A RESOLUTION OF THE SENATE OF THE FIRST SPECIAL SESSION OF THE FIFTY-THIRD LEGISLATURE OF THE STATE OF MONTANA CONCURRING IN, CONFIRMING, AND CONSENTING TO THE NOMINATIONS AND APPOINTMENTS MADE BY THE GOVERNOR AND SUBMITTED BY WRITTEN COMMUNICATION DATED NOVEMBER 29, 1993, TO THE SENATE PURSUANT TO SECTION 5-5-303, MCA.

WHEREAS, the Governor of the State of Montana has made the nominations of appointments, below designated, that have been submitted to the Senate by the Governor:

(1) As a member of the Board of Aeronautics, in accordance with section 2-15-2506, MCA:

Mr. Robert M. Hector, Billings, Montana, for a term ending January 1, 1995.

(2) As members of the Montana Arts Council, in accordance with section 2-15-1513, MCA:

Ms. Ann Cogswell, Great Falls, Montana, for a term ending February 1, 1998.

Ms. Diane M. Davies, Polson, Montana, for a term ending February 1, 1998.

Mr. George Horse Capture, Hays, Montana, for a term ending February 1, 1998.

Mr. Richard Halmes, Great Falls, Montana, for a term ending February 1, 1998.

Ms. Sody Jones, Billings, Montana, for a term ending February 1, 1998.

(3) As members of the State Banking Board, in accordance with section 2-15-1803, MCA:

Mr. Loren Tucker, Virginia City, Montana, for a term ending July 1, 1996.

Mr. Robert T. Baxter, Thompson Falls, Montana, for a term ending July 1, 1996.

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(4) As members of the Board of Barbers, in accordance with section 2-15-1856, MCA:

Ms. Adeline Fisher, Butte, Montana, appointed for a term ending July 1, 1996.

Mr. Max Demars, Big Timber, Montana, for a term ending July 1, 1995.

Mr. Rodney L. Grover, Helena, Montana, for a term ending July 1, 1996.

(5) As members of the Board of Clinical Laboratory Science Practitioners, in accordance with section 2-15-1863, MCA:

Ms. Eileen Flynn, Townsend, Montana, for a term ending April 16, 1995.

Ms. JoAnn Schneider, Clancy, Montana, for a term ending April 16, 1995.

Dr. John Pullman, Butte, Montana, for a term ending April 16, 1997.

Ms. Loraine Kay Crull, Missoula, Montana, for a term ending April 16, 1997.

Ms. Sonja Bennett, Billings, Montana, for a term ending April 16, 1997.

(6) As members of the Board of Cosmetologists, in accordance with section 2-15-1857, MCA:

Ms. Geraldine Sorenson, Billings, Montana, for a term ending July 1, 1997.

Ms. Karen Underwood, Billings, Montana, for a term ending July 1, 1997.

Ms. Lorilie Holyk, Polson, Montana, for a term ending July 1, 1997.

Ms. Lynn Campbell, Deer Lodge, Montana, for a term ending July 1, 1997.

(7) As members of the Board of County Printing, in accordance with section 2-15-1811, MCA:

Mr. Curtis Starr, Malta, Montana, for a term ending April 1, 1995.

Ms. Fern Hart, Missoula, Montana, for a term ending April 1, 1995.

Ms. Nancy Clark, Ryegate, Montana, for a term ending April 1, 1995.

Mr. Roy Aafedt, Great Falls, Montana, for a term ending April 1, 1995.

(8) As a member of the State Electrical Board, in accordance with section 2-15-1874, MCA:

Mr. Todd Stoddard, Dillon, Montana, for a term ending July 1, 1996.

(9) As a member of the Board of Funeral Service, in accordance with section 2-15-1853, MCA:

Mr. Douglas D. Lowry, Big Timber, Montana, for a term ending July 1, 1998.

(10) As members of the Board of Trustees of the State Historical Society, in accordance with section 2-15-1512, MCA:

Ms. Anne Hibbard, Helena, Montana, for a term ending July 1, 1996.

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Mr. Thomas A. Foor, Missoula, Montana, for a term ending July 1, 1998.

Ms. Vicki A. McCarthy, Billings, Montana, for a term ending July 1, 1998.

Mr. William Holt, Lolo, Montana, for a term ending July 1, 1998.

(11) As a member of the Commission for Human Rights, in accordance with section 2-15-1706, MCA:

Ms. Evelyn Stevenson, Pablo, Montana, for a term ending January 2, 1997.

(12) As members of the Board of Landscape Architects, in accordance with section 2-15-1872, MCA:

Ms. Diana Penwell, Havre, Montana, for a term ending July 1, 1997.

Ms. Shelley Engler, Bozeman, Montana, for a term ending July 1, 1997.

(13) As a member of the State Library Commission, in accordance with section 22-1-101, MCA:

Ms. Myrna Lundy, Fort Benton, Montana, for a term ending May 22, 1996.

(14) As a member of the Board of Livestock, in accordance with section 2-15-3102, MCA:

Mr. Duane Braaten, Kalispell, Montana, for a term ending March 1, 1999.

(15) As members of the Board of Medical Examiners, in accordance with section 2-15-1841, MCA:

Dr. Daniel Brooks, Miles City, Montana, for a term ending September 1, 1997.

Ms. Pamela Gilbert, Bozeman, Montana, for a term ending September 1, 1997.

Ms. Linda Melick, Lewistown, Montana, for a term ending September 1, 1997.

Mr. Randy L. Spear, Worden, Montana, for a term ending September 1, 1997.

(16) As members of the State Compensation Insurance Fund Board, in accordance with section 2-15-1019, MCA:

Ms. Sandra Reiter, Billings, Montana, for a term ending April 28, 1997.

Mr. James Broulette, Stevensville, Montana, for a term ending April 28, 1997.

(17) As a member of the Board of Nursing, in accordance with section 2-15-1844, MCA:

Ms. Charlotte Messmore, Great Falls, Montana, for a term ending July 1, 1997.

(18) As a member of the Board of Occupational Therapy Practice, in accordance with section 2-15-1859, MCA:

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Ms. Linda Botten, Bozeman, Montana, for a term ending December 31, 1996.

(19) As a member of the Board of Oil and Gas Conservation, in accordance with section 2-15-3303, MCA:

Mr. Denzil R. Young, Baker, Montana, for a term ending January 1, 1995.

(20) As a member of the Board of Optometry, in accordance with section 2-15-1846, MCA:

Dr. Cynthia Kinna Johnson, Bozeman, Montana, for a term ending April 3, 1997.

(21) As a member of the Board of Personnel Appeals, in accordance with section 2-15-1705, MCA:

Mr. Willis McKeon, Malta, Montana, for a term ending January 1, 1997.

(22) As a member of the Board of Pharmacy, in accordance with section 2-15-1843, MCA:

Ms. Ann Pasha, Highwood, Montana, for a term ending July 1, 1998.

(23) As a member of the Board of Physical Therapy Examiners, in accordance with section 2-15-1858, MCA:

Mr. Robert Bowman, Lewistown, Montana, for a term ending July 1, 1996.

(24) As a member of the Board of Plumbers, in accordance with section 2-15-1875, MCA:

Mr. Vernon E. Mahn, Lincoln, Montana, for a term ending May 4, 1997.

(25) As members of the Board of Private Security Patrol Officers and Investigators, in accordance with section 2-15-1891, MCA:

Mr. David Ward, Billings, Montana, for a term ending August 1, 1994.

Mr. Jeff Patterson, Missoula, Montana, for a term ending August 1, 1994.

(26) As members of the Board of Professional Engineers and Professional Land Surveyors, in accordance with section 2-15-1873, MCA:

Mr. David M. Hummel, Jr., Billings, Montana, for a term ending April 23, 1997.

Mr. Dennis F. Carver, Kalispell, Montana, for a term ending April 23, 1997.

(27) As members of the Board of Psychologists, in accordance with section 2-15-1851, MCA:

Dr. James Murphy, Bozeman, Montana, for a term ending September 1, 1998.

Ms. JoAnn Witt, Carter, Montana, for a term ending September 1, 1998.

(28) As a member of the Board of Public Accountants, in accordance with section 2-15-1866, MCA:

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Mr. James R. Smrcka, Glasgow, Montana, for a term ending July 1, 1998.

(29) As a member of the Board of Public Education, in accordance with section 2-15-1507, MCA:

Ms. Barbara Keim, Billings, Montana, for a term ending February 1, 2000.

(30) As members of the Public Employees' Retirement Board, in accordance with section 2-15-1009, MCA:

Mr. Fred Flanders, Helena, Montana, for a term ending April 1, 1998.

Ms. Carol Lambert, Hammond, Montana, for a term ending April 1, 1998.

(31) As members of the Board of Radiologic Technologists, in accordance with section 2-15-1848, MCA:

Ms. Cynthia L. Smith, Billings, Montana, for a term ending July 1, 1996.

Ms. Debbie Sanford, Lewistown, Montana, for a term ending July 1, 1996.

Dr. Dennis S. Yutani, Glasgow, Montana, for a term ending July 1, 1996.

Ms. Judy Martz, Silver Bow, Montana, for a term ending July 1, 1996.

(32) As a member of the Board of Realty Regulation, in accordance with section 2-15-1867, MCA:

Mr. Bruno Friia, Missoula, Montana, for a term ending May 9, 1997.

(33) As members of the Board of Regents of Higher Education, in accordance with section 2-15-1505, MCA:

Mr. Jim Kaze, Havre, Montana, for a term ending February 1, 1999.

Ms. L. Colleen Conroy, Hardin, Montana, for a term ending February 1, 1994.

Mr. Patrick Davison, Billings, Montana, for a term ending February 1, 2000.

Mr. Shane Coleman, Bozeman, Montana, for a term ending June 1, 1994.

(34) As a member of the Board of Sanitarians, in accordance with section 2-15-1861, MCA:

Ms. Pat Switzer, Richey, Montana, for a term ending July 1, 1996.

(35) As a member of the State Tax Appeal Board, in accordance with section 2-15-1015, MCA:

Ms. Patti Foster, Townsend, Montana, for a term ending March 1, 1995.

(36) As a member of the Teachers' Retirement Board, in accordance with section 2-15-1010, MCA:

Ms. Sharon Oftedal, Miles City, Montana, for a term ending July 1, 1997.

(37) As a member of the Board of Veterans' Affairs, in accordance with section 2-15-1205, MCA:

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Ms. Bernadette A. Opp, Belgrade, Montana, for a term ending May 18, 1998.

(38) As a member of the Board of Veterinary Medicine, in accordance with section 2-15-1852, MCA:

Dr. Robert Myers, Bozeman, Montana, for a term ending July 31, 1998.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA:

That the Senate of the First Special Session of the 53rd Legislature of the State of Montana does hereby concur in, confirm, and consent to the above nominations and that the Secretary of the Senate immediately deliver a copy of this resolution to the Secretary of State and to the Governor pursuant to section 5-5-303, MCA.

Passed December 11, 1993.

SENATE RESOLUTION NO. 4

A RESOLUTION OF THE SENATE OF THE FIRST SPECIAL SESSION OF THE FIFTY-THIRD LEGISLATURE OF THE STATE OF MONTANA CONCURRING IN, CONFIRMING, AND CONSENTING TO THE NOMINATION AND APPOINTMENT MADE BY THE GOVERNOR AND SUBMITTED BY WRITTEN COMMUNICATION DATED NOVEMBER 29, 1993, TO THE SENATE PURSUANT TO SECTION 5-5-303, MCA.

WHEREAS, the Governor of the State of Montana has made the nomination of appointment, below designated, that has been submitted to the Senate by the Governor:

As a member of the State Compensation Insurance Fund Board, in accordance with section 2-15-1019, MCA:

Mr. Richard Hill, Helena, Montana, for a term ending April 28, 1997.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA:

That the Senate of the First Special Session of the 53rd Legislature of the State of Montana does hereby concur in, confirm, and consent to the above nomination and that the Secretary of the Senate immediately deliver a copy of this resolution to the Secretary of State and to the Governor pursuant to section 5-5-303, MCA.

Passed December 11, 1993.

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2-15-112	amended	Ch. 23	SB 32
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2-15-2105	amended	Ch. 16	HB 40
2-18-1101	amended	Ch. 23	SB 32
2-18-1102	amended	Ch. 23	SB 32
2-18-1103	amended	Ch. 23	SB 32
2-18-1104	repealed	Ch. 23	SB 32
2-18-1105	amended	Ch. 23	SB 32
2-18-1106	amended	Ch. 23	SB 32
2-18-1107	enacted	Ch. 23	SB 32
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5-7-103	amended	Ch. 18	SB 5
5-11-201	amended	Ch. 22	SB 31
5-11-202	amended	Ch. 22	SB 31
5-11-203	amended	Ch. 22	SB 31
5-12-303	amended	Ch. 12	HB 7
5-13-311	enacted	Ch. 20	SB 28
5-13-312	enacted	Ch. 20	SB 28
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7-4-3007	amended	Ch. 27	HB 50
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7-6-4409	amended	Ch. 27	HB 50
7-6-4410	amended	Ch. 27	HB 50
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7-12-4184	amended	Ch. 27	HB 50
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7-13-2306	amended	Ch. 27	HB 50
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7-13-2528	amended	Ch. 27	HB 50
7-13-4309	amended	Ch. 27	HB 50
7-13-4507	amended	Ch. 27	HB 50
7-14-2524	amended	Ch. 9	SB 18
7-14-2525	amended	Ch. 9	SB 18
7-14-2735	amended	Ch. 27	HB 50
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7-14-2755	amended	Ch. 27	HB 50
7-16-2327	amended	Ch. 9	SB 18
13-1-203	amended	Ch. 4	SB 7
15-1-101	amended	Ch. 27	HB 50
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15-51-104	amended	Ch. 27	HB 50
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15-70-309	repealed	Ch. 10	HB 15
15-70-311	amended	Ch. 10	HB 15
15-70-315	repealed	Ch. 10	HB 15
15-70-321	amended	Ch. 10	HB 15
15-70-324	amended	Ch. 10	HB 15
15-70-330	amended	Ch. 10	HB 15
15-70-341	amended	Ch. 10	HB 15
15-70-343	amended	Ch. 10	HB 15
15-70-349	amended	Ch. 10	HB 15
15-70-356	amended	Ch. 10	HB 15
15-70-361	amended	Ch. 10	HB 15
15-70-364	amended	Ch. 10	HB 15
17-1-510	enacted	Ch. 37	HB 21
17-3-111	amended	Ch. 37	HB 21
17-5-703	amended	Ch. 8	SB 4
	amended	Ch. 33	HB 60
17-6-201	amended	Ch. 37	HB 21

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Title-Ch.-Sec.	Action	Chapter	Bill #
17-7-102	amended	Ch. 12	HB 7
17-7-111	amended	Ch. 12	HB 7
	amended	Ch. 13	HB 30
17-7-122	amended	Ch. 12	HB 7
17-7-123	amended	Ch. 12	HB 7
	amended	Ch. 13	HB 30
17-7-304	amended	Ch. 23	SB 32
17-7-502	amended	Ch. 10	HB 15
	amended	Ch. 36	SB 46
17-8-306	amended	Ch. 5	SB 13
18-4-302	amended	Ch. 11	HB 43
19-3-908	amended	Ch. 27	HB 50
20-5-321	amended	Ch. 32	HB 56
20-6-401	repealed	Ch. 36	SB 46
20-6-402	repealed	Ch. 36	SB 46
20-6-403	repealed	Ch. 36	SB 46
20-6-404	repealed	Ch. 36	SB 46
20-6-405	repealed	Ch. 36	SB 46
20-6-406	repealed	Ch. 36	SB 46
20-6-407	repealed	Ch. 36	SB 46
20-6-408	repealed	Ch. 36	SB 46
20-6-703	amended	Ch. 36	SB 46
20-7-504	amended	Ch. 39	HB 89
20-7-506	amended	Ch. 39	HB 89
20-7-507	amended	Ch. 39	HB 89
20-7-705	amended	Ch. 34	HB 64
20-9-104	amended	Ch. 35	SB 1
	amended	Ch. 36	SB 46
20-9-122	amended	Ch. 27	HB 50
20-9-141	amended	Ch. 9	SB 18
	amended	Ch. 35	SB 1
20-9-306	amended	Ch. 38	HB 22
20-9-308	amended	Ch. 38	HB 22
20-9-331	amended	Ch. 9	SB 18
20-9-333	amended	Ch. 9	SB 18
20-10-144	amended	Ch. 9	SB 18
32-1-467	amended	Ch. 17	HB 68
33-2-708	amended	Ch. 6	SB 14
33-17-231	amended	Ch. 6	SB 14
33-17-236	amended	Ch. 6	SB 14
33-17-237	amended	Ch. 6	SB 14
41-3-1004	amended	Ch. 21	SB 29
41-3-1103	amended	Ch. 19	SB 23
50-61-112	amended	Ch. 27	HB 50
53-6-101	amended	Ch. 14	HB 94
53-6-103	repealed	Ch. 31	HB 33
53-6-104	amended	Ch. 31	HB 33
53-6-116	amended	Ch. 31	HB 33
53-6-131	amended	Ch. 14	HB 34
53-6-110(5)	enacted	Ch. 14	HB 34
53-9-109	amended	Ch. 3	HB 14
60-3-201	amended	Ch. 40	SB 43
61-2-107	amended	Ch. 2	HB 6
61-3-207	amended	Ch. 27	HB 50
61-3-303	amended	Ch. 27	HB 50

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Title-Ch.-Sec.	Action	Chapter	Bill #
61-3-345	amended	Ch. 27	HB 50
61-3-503	amended	Ch. 27	HB 50
61-5-111	amended	Ch. 26	HB 66
61-5-121	amended	Ch. 39	HB 89
61-12-206	amended	Ch. 10	HB 15
61-12-402	amended	Ch. 27	HB 50
70-23-304	amended	Ch. 27	HB 50
70-23-305	amended	Ch. 27	HB 50
75-10-621	amended	Ch. 16	HB 40
76-2-102	amended	Ch. 27	HB 50
76-13-207	amended	Ch. 27	HB 50
76-15-518	amended	Ch. 27	HB 50
77-1-501	amended	Ch. 27	HB 50
77-1-503	amended	Ch. 27	HB 50
77-1-504	amended	Ch. 27	HB 50
77-2-313	amended	Ch. 27	HB 50
80-2-203	amended	Ch. 27	HB 50
80-2-204	amended	Ch. 27	HB 50
80-2-206	amended	Ch. 27	HB 50
80-2-207	amended	Ch. 27	HB 50
80-2-225	amended	Ch. 27	HB 50
81-2-302	amended	Ch. 27	HB 50
81-4-511	amended	Ch 27	HB 50
81-4-513	amended	Ch. 27	HB 50
81-4-516	amended	Ch. 27	HB 50
81-7-303	amended	Ch. 27	HB 50
82-11-118	enacted	Ch. 9	SB 18
85-7-2136	amended	Ch. 27	HB 50
85-8-601	amended	Ch. 27	HB 50
85-9-603	amended	Ch. 27	HB 50
85-20-302	enacted	Ch. 7	HB 74
90-4-901	repealed	Ch. 33	HB 60
90-4-902	repealed	Ch. 33	HB 60
90-4-903	repealed	Ch. 33	HB 60
90-4-904	repealed	Ch. 33	HB 60
90-4-905	repealed	Ch. 33	HB 60
90-4-906	repealed	Ch. 33	HB 60

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TABLE

OF

SESSION LAWS AFFECTED

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SESSION LAWS AFFECTED

Laws Affected	Action	Chapter	Bill #
Laws of 1991			
Ch. 722, sec. 11	repealed	8, Sp. L. Nov. 1993	SB 4
Ch. 722, sec. 11	repealed	33, Sp. L. Nov. 1993	HB 60
Laws of 1993			
Ch. 515, sec. 1—5	repealed	33, Sp. L. Nov. 1993	HB 60
Ch. 550, sec. 1	amended	30, Sp. L. Nov. 1993	HB 2
Ch. 623, sec. 11, 15	amended	30, Sp. L. Nov. 1993	HB 2
Ch. 624, sec. 2	amended	30, Sp. L. Nov. 1993	HB 2

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BILL NUMBER TO CHAPTER NUMBER

and

CHAPTER NUMBER TO BILL NUMBER

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SENATE BILL NUMBER

TO

CHAPTER NUMBER

Bill No.	Chapter No.	Bill No.	Chapter No.
SB 1	Ch. 35	SB 27	Ch. 25
SB 4	Ch. 8	SB 28	Ch. 20
SB 5	Ch. 18	SB 29	Ch. 21
SB 7	Ch. 4	SB 31	Ch. 22
SB 13	Ch. 5	SB 32	Ch. 23
SB 14	Ch. 6	SB 43	Ch. 40
SB 18	Ch. 9	SB 46	Ch. 36
SB 23	Ch. 19	SB 51	Ch. 24

HOUSE BILL NUMBER

TO

CHAPTER NUMBER

Bill No.	Chapter No.	Bill No.	Chapter No.
HB 1	Ch. 1	HB 34	Ch. 14
HB 2	Ch. 30	HB 36	Ch. 15
HB 4	Ch. 28	HB 40	Ch. 16
HB 6	Ch. 2	HB 43	Ch. 11
HB 7	Ch. 12	HB 50	Ch. 27
HB 8	Ch. 29	HB 56	Ch. 32
HB 14	Ch. 3	HB 60	Ch. 33
HB 15	Ch. 10	HB 64	Ch. 34
HB 21	Ch. 37	HB 66	Ch. 26
HB 22	Ch. 38	HB 68	Ch. 17
HB 30	Ch. 13	HB 74	Ch. 7
HB 33	Ch. 31	HB 89	Ch. 39

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CHAPTER NUMBER

TO

BILL NUMBER

Chapter No.	Bill No.	Chapter No.	Bill No.
Ch. 1	HB 1	Ch. 21	SB 29
Ch. 2	HB 6	Ch. 22	SB 31
Ch. 3	HB 14	Ch. 23	SB 32
Ch. 4	SB 7	Ch. 24	SB 51
Ch. 5	SB 13	Ch. 25	SB 27
Ch. 6	SB 14	Ch. 26	HB 66
Ch. 7	HB 74	Ch. 27	HB 50
Ch. 8	SB 4	Ch. 28	HB 4
Ch. 9	SB 18	Ch. 29	HB 8
Ch. 10	HB 15	Ch. 30	HB 2
Ch. 11	HB 43	Ch. 31	HB 33
Ch. 12	HB 7	Ch. 32	HB 56
Ch. 13	HB 30	Ch. 33	HB 60
Ch. 14	HB 34	Ch. 34	HB 64
Ch. 15	HB 36	Ch. 35	SB 1
Ch. 16	HB 40	Ch. 36	SB 46
Ch. 17	HB 68	Ch. 37	HB 21
Ch. 18	SB 5	Ch. 38	HB 22
Ch. 19	SB 23	Ch. 39	HB 89
Ch. 20	SB 28	Ch. 40	SB 43

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TABLE

OF

EFFECTIVE DATES

Section 1-2-201, MCA, as amended by Ch. 466, Laws of 1981, provides that:

"Every statute adopted after January 1, 1981, except those that provide for appropriation by the legislature of public funds for a public purpose, takes effect on the first day of October following its passage and approval unless a different time is prescribed therein. Every statute providing for appropriation as specified in this subsection takes effect on the first day of July following its passage and approval unless a different time is prescribed therein."

The following is a list of specially designated effective dates for the 53rd Legislature in special session.

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EFFECTIVE DATES

BY DATE

Effective Date	Chapter No.	Bill No.
12/02/93	Ch. 1	HB 1
12/16/93	Ch. 2	HB 6
12/16/93	Ch. 3	HB 14
12/16/93	Ch. 5	SB 13
12/17/93	Ch. 7	HB 74
12/17/93	Ch. 8	SB 4
12/17/93	Ch. 9	SB 18
12/20/93	Ch. 10	HB 15 (§§ 1, 18, 21, & 22)
12/23/93	Ch. 12	HB 7
12/23/93	Ch. 13	HB 30
12/23/93	Ch. 14	HB 34
12/23/93	Ch. 16	HB 40
12/23/93	Ch. 17	HB 68
12/23/93	Ch. 18	SB 5 (§§ 1(4) & 2)
12/23/93	Ch. 19	SB 23
12/23/93	Ch. 21	SB 29
12/23/93	Ch. 22	SB 31
12/23/93	Ch. 23	SB 32
12/23/93	Ch. 24	SB 51
12/27/93	Ch. 27	HB 50 (§§ 127, 158-164, & 168-173)
12/27/93	Ch. 28	HB 4
12/27/93	Ch. 29	HB 8
01/01/94	Ch. 4	SB 7
01/01/94	Ch. 10	HB 15 (§§ 2-17, 19, & 20)
01/01/94	Ch. 15	HB 36
01/01/94	Ch. 18	SB 5 (§ 1(1)-(3))
01/01/94	Ch. 27	HB 50 (§§ 1-126, 128-157, & 165-167)
01/01/94	Ch. 31	HB 33
01/03/94	Ch. 30	HB 2
01/03/94	Ch. 32	HB 56
01/03/94	Ch. 33	HB 60
01/03/94	Ch. 34	HB 64
01/04/94	Ch. 38	HB 22
01/05/94	Ch. 37	HB 21
07/01/94	Ch. 6	SB 14
07/01/94	Ch. 20	SB 28
07/01/94	Ch. 26	HB 66
07/01/94	Ch. 35	SB 1
07/01/94	Ch. 36	SB 46
07/01/94	Ch. 39	HB 89
07/01/94	Ch. 40	SB 43
10/01/94	Ch. 11	HB 43
?	Ch. 25	SB 27 (contingent upon voter approval)

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TABLE

OF

SESSION LAW TO CODE

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CODE

Ch.	Sec.	MCA
1	1	Operations appropriations
	2	Effective date
2	1	61-2-107
	2	Effective date
3	1	53-9-109
	2	Effective date
	3	Contingent termination
4	1	13-1-203
	2	Effective date
5	1	17-8-306
	2	Effective date
6	1	33-2-708
	2	33-17-231
	3	33-17-236
	4	33-17-237
	5	Effective date
7	1	85-20-302
	2	Codification instruction
	3	Effective date
8	1	17-5-703
	2	Fund transfer
	3	Repealer
	4	Effective date
9	1	15-6-208
	2	15-23-601
	3	15-23-602
	4	15-23-603
	5	15-23-607
	6	15-23-612
	7	15-23-613
	8	15-23-614
	9	15-36-101
	10	7-1-2111
	11	7-7-2101
	12	7-7-2203
	13	7-14-2524
	14	7-14-2525
	15	7-16-2327
	16	20-9-141
	17	20-9-331
	18	20-9-333
	19	20-10-144
	20	82-11-118
	21	Reports by board of oil and gas conservation to revenue oversight committee
	22	Codification instruction
	23	Severability
	24	Effective date — applicability
10	1	15-70-101
	2	15-70-301
	3	15-70-302
	4	15-70-303
	5	15-70-304
	6	15-70-305
	7	15-70-306
	8	15-70-311
	9	15-70-321
	10	15-70-324
	11	15-70-330
	12	15-70-341
	13	15-70-343
	14	15-70-349
	15	15-70-356
	16	15-70-361
	17	15-70-364
	18	17-7-502
	19	61-12-206
	20	Repealer
	21	Effective dates — retroactive applicability
	22	Retroactive applicability
11	1	18-4-302
12	1	5-12-303
	2	17-7-102
	3	Code commissioner instruction
	4	Effective date
13	1	17-7-111
	2	17-7-123
	3	Effective date
14	1	53-6-110(5)
	2	53-6-101
	3	53-6-131
	4	Effective date
15	1	15-2-301
	2	15-15-103
	3	15-15-104
	4	Applicability
	5	Effective date
16	1	2-15-2105

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Ch.	Sec.	MCA
	2	75-10-621
	3	Repealer
	4	Effective date
17	1	32-1-467
	2	Effective date
18	1	5-7-103
	2	Effective dates
19	1	41-3-1103
	2	Effective date
20	1	5-13-311
	2	5-13-312
	3	Severability
	4	Codification instruction
	5	Effective date
	6	Termination
21	1	41-3-1004
	2	Effective date
22	1	1-11-303
	2	5-11-201
	3	5-11-202
	4	5-11-203
	5	Effective date
23	1	2-18-1101
	2	2-18-1102
	3	2-18-1103
	4	2-18-1105
	5	2-18-1106
	6	2-18-1107
	7	2-15-112
	8	17-7-304
	9	Repealer
	10	Codification instruction
	11	Applicability
	12	Effective date
	13	Termination
24	1	2-18-1203
	2	Effective date
25	1	Art. VIII, sec. 3, Mont. Const.
	2	Submission to electorate
26	1	61-5-111
	2	Effective date
27	1	2-6-110
	2	15-1-521
	3	5-18-115
	4	7-3-1301
	5	7-3-1309
	6	7-3-4252
	7	7-4-2401
	8	7-4-2505
	9	7-6-4409
	10	7-6-4410
	11	7-6-4412
	12	7-6-4413
	13	7-8-2513
	14	7-12-4181
	15	7-12-4184
	16	7-13-233
	17	7-13-2304
	18	7-13-2306
	19	7-13-2527
	20	7-13-2528
	21	7-13-4309
	22	7-13-4507
	23	7-14-2735
	24	7-14-2738
	25	7-14-2739
	26	7-14-2740
	27	7-14-2742
	28	7-14-2743
	29	7-14-2744
	30	7-14-2745
	31	7-14-2755
	32	15-1-101
	33	15-1-111
	34	15-1-201
	35	15-1-202
	36	15-1-205
	37	15-1-303
	38	15-6-207
	39	15-7-102
	40	15-7-106
	41	15-7-107
	42	15-7-208
	43	15-7-209
	44	15-7-304
	45	15-7-308
	46	15-7-402
	47	15-7-403
	48	15-8-102
	49	15-8-104
	50	15-8-111
	51	15-8-112
	52	15-8-113
	53	15-8-115
	54	15-8-201
	55	15-8-202
	56	15-8-205
	57	15-8-301
	58	15-8-303
	59	15-8-304
	60	15-8-307
	61	15-8-402
	62	15-8-601
	63	15-8-701
	64	15-8-702
	65	15-8-704
	66	15-8-707
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	68	15-8-710
	69	15-9-101
	70	15-9-103
	71	15-10-202
	72	15-10-203

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	73	15-10-205
	74	15-10-206
	75	15-10-305
	76	15-15-101
	77	15-15-102
	78	15-15-103
	79	15-16-101
	80	15-16-104
	81	15-16-105
	82	15-16-115
	83	15-16-117
	84	15-16-203
	85	15-16-302
	86	15-16-305
	87	15-16-402
	88	15-16-504
	89	15-16-611
	90	15-17-124
	91	15-17-317
	92	15-17-911
	93	15-18-412
	94	15-23-104
	95	15-23-106
	96	15-23-107
	97	15-23-115
	98	15-23-507
	99	15-23-607
	100	15-23-702
	101	15-23-703
	102	15-23-704
	103	15-23-803
	104	15-23-804
	105	15-24-104
	106	15-24-302
	107	15-24-801
	108	15-24-901
	109	15-24-902
	110	15-24-903
	111	15-24-904
	112	15-24-905
	113	15-24-906
	114	15-24-920
	115	15-24-921
	116	15-24-1402
	117	15-24-1501
	118	15-24-1802
	119	15-24-1902
	120	15-24-2002
	121	15-24-2302
	122	15-36-104
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	124	15-51-104
	125	15-59-104
	126	15-59-203
	127	19-3-908
	128	20-9-122
	129	50-61-112
	130	61-3-207
	131	61-3-303
	132	61-3-345
	133	61-3-503
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	135	70-23-304
	136	70-23-305
	137	76-2-102
	138	76-13-207
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	148	80-2-225
	149	81-2-302
	150	81-4-511
	151	81-4-513
	152	81-4-516
	153	81-7-303
	154	85-7-2136
	155	85-8-601
	156	85-9-603
	157	15-16-119
	158	Assessors qualifying as employees
	159	Classification and salary for qualifying assessor
	160	Benefits for qualifying assessors
	161	Required employment — department excused from hiring practices
	162	Department contract for county assessor
	163	Consolidation of office of county assessor — special procedure — transfer of records
	164	State not obliged to reimburse county for assessor salary
	165	Advisory committee — study of taxation of motor vehicles and mobile homes
	166	Office hours
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	168	Appropriations
	169	Repealer
	170	Codification instructions
	171	Applicability
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Ch.	Sec.	MCA
	173	Effective dates
28	1	Authorization of inmate labor for designated construction project — exemptions
	2	Severability
	3	Effective date
29	1	Authorization of Montana state prison staff for designated construction project — exception
	2	Effective date
	3	Termination
30	1	Sec. 15, Ch. 623, L. 1993
	2	Sec. 2, Ch. 624, L. 1993
	3	Sec. 1, Ch. 550, L. 1993
	4	Sec. 11, Ch. 623, L. 1993
	5	Legislative intent
	6	Effective date
31	1	53-6-104
	2	53-6-116
	3	Mental health advisory group
	4	Physical provider advisory group
	5	Repealer
	6	Effective date
	7	Termination
32	1	20-5-321
	2	Effective date — retroactive applicability
33	1	17-5-703
	2	Repealer
	3	Effective date
34	1	20-7-705
	2	Effective date
35	1	20-9-104
	2	20-9-141
	3	Effective date — applicability
36	1	Repealer
	2	17-7-502
	3	20-6-703
	4	20-9-104
	5	Saving clause
	6	Effective date
37	1	17-3-111
	2	17-6-201
	3	17-1-510
	4	Codification instruction
	5	Effective date
38	1	20-9-306
	2	20-9-308
	3	Budget reduction — exceptions
	4	Effective date — applicability
39	1	3-10-601
	2	61-5-121
	3	20-7-504
	4	20-7-506
	5	20-7-507
	6	Effective date
40	1	60-3-201
	2	Effective date